

EUROPEAN NEWS

West Berlin to repair its rusted U.S. link

WEST BERLIN'S congress hall, which was donated by the United States, is to be rebuilt by the city, following the collapse of its roof two years ago...

Leslie Colitt, in Berlin, traces the recent development of the nuclear disarmament movement in East Germany

East Berlin declares war on 'non-existent' peace force

WEST GERMANY'S anti-nuclear movement, which has mushroomed into one of the most powerful opposition forces in the country, has inspired a small but active peace movement in East Germany...

Heinz Hoffmann, recently said: "Much as we would like to scrap our weapons in the future, Socialism and peace still need our plough shares and our swords..."

Protestant Church faces a crucial choice

BY OUR BERLIN CORRESPONDENT

The Protestant Church in East Berlin has underlined its opposition to U.S. and Soviet nuclear missiles by calling for a unilateral reduction in the level of Soviet SS20 missiles...

and its support for peace campaigners as representing political opposition. The East Berlin Church sent a letter to churches in the Berlin-Brandenburg area...

Tax threat to future of Dublin's Stock Exchange

BY BRENDAN KEENAN IN DUBLIN

WITH THE energy of men who feel the waters closing above their heads, the members of the Irish Stock Exchange have launched an unprecedented campaign against the changes in the rate of capital gains tax...

The new rates replace the previous scheme which charged 30 per cent tax on gains made within three years of acquisition. Thereafter there was a scale of diminishing charges...

The exchange's argument is that any further drop in dealings would threaten not just equities but the existence of a market in which government securities can be traded...



Mr Haughey... aiming to curb land speculation.

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OVERSEAS NEWS

Palestinians urged not to retaliate

BEIRUT — Strains appeared yesterday in the Palestine Liberation Organisation (PLO) amid reports of pressure on it from the Lebanese and U.S. Governments not to retaliate after Wednesday's Israeli air raids south of Beirut.

Israelis will wait for PLO reaction, U.S. told

BY DAVID LENNON IN TEL AVIV

ISRAEL reassured Washington yesterday that its air raids on Palestinian camps in Lebanon on Wednesday did not mean the end of the nine-month ceasefire with the Palestinian Liberation Organisation.

Mr Stoessel said after his meeting with the Premier that they had agreed that both sides had every interest in seeing that the situation remained calm and that the agreements on cessation of hostilities were observed.

that the ceasefire has to be kept to the letter. Israel has been complaining for some time about violations of the ceasefire agreement by the Palestinian guerrillas and launched its air raid on Wednesday after an Israeli officer was killed when his jeep rode over a landmine in southern Lebanon on Wednesday morning.

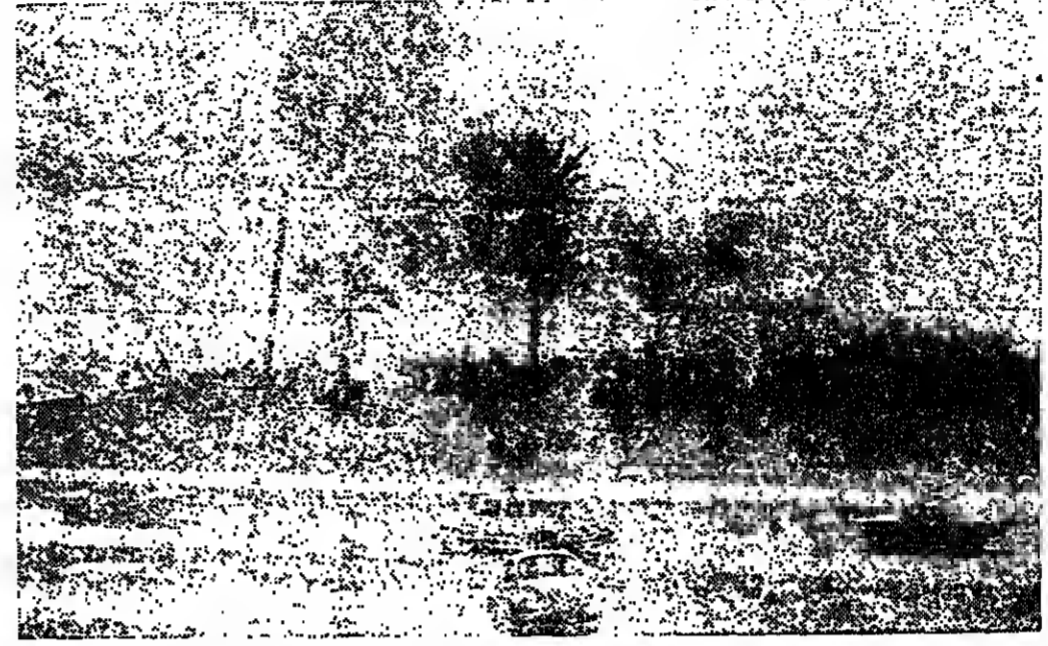
Washington has repeatedly urged Israel to honour the ceasefire, and has applied heavy pressure on Jerusalem not to launch a major invasion of Lebanon. Early last month Mr Habib made a swing through the area to calm the rising tension. He made no progress on resolving the basic disputes, but apparently succeeded in maintaining relative calm.

range to shell Israel. According to the Israeli army there are some 15,000 guerrillas in southern Lebanon and they have used the ceasefire to absorb new weapons, especially artillery, as well as to build bunkers and fortify positions.

Scorched earth and apprehension in Lebanon

BY PATRICK COCKBURN IN BEIRUT

VERY LITTLE of the military training camp high in the hills above the port of Sidon in south Lebanon was left by the time the last fighter bomber flew back to Israel on Wednesday evening.



Ammunition dump burns in Damour and (below right) Palestinian anti-aircraft guns open fire.

Equally, if Israel attacks, it will wish to achieve its aims as quickly as possible. This means using a much larger force than the 10,000 men and 200 tanks employed in the invasion of 1978.

jecting heat balloons to decoy the missiles away. If the Israelis do attack, they will have a difficult task. The south of Lebanon is thickly populated, particularly along the coastal strip which is lined with concrete villas and apartment blocks.

Iraqis on the offensive

By Roger Matthews

IRAQ is preparing for an all-out offensive in the Gulf war if Iran fails to respond positively to current peace efforts, according to Arab political and military officials.

This radical switch in Iraq's military thinking is said to have been provoked by the serious reverses suffered last month during the Iranian four-day assault in the Shush-Dasaf region.

Spending cuts urged for Kuwait

BY JAMES DORSEY IN KUWAIT

KUWAIT'S Minister of Finance Abdul Atif al Hamad, has warned that Kuwait will be bankrupt in four years if Government expenditure continues to rise at current rates.

this growth rate remains unchecked. Based on a price of approximately \$40 a barrel, Kuwait will have to produce 2.5m barrels a day (b/d) of oil to be able to foot such a bill.

prices, by between 100 to almost 600 per cent, had been primarily motivated by the deficit. The Finance Minister argued that future development will have to be carefully evaluated.

India liberalises industry policy

BY K. K. SHARMA IN NEW DELHI

THE INDIAN Government has announced a major liberalisation of its industrial policy, lifting many restrictions on expansion of foreign companies and Indian "monopoly houses."

covering more than 80 per cent of all industrial undertakings — to expand its authorised capacity by a third over the best production achieved in the last five years.

Regulation Act. The change follows last month's announcement of the most liberal import policy in three decades, despite present heavy pressure on foreign exchange reserves.

OAU split on Polisario threatens its survival

BY MICHAEL HOLMAN

A SPECIAL MEETING of the Organisation of African Unity (OAU) opened yesterday to deal with a dispute described by the organisation's chairman, President Daniel arap Moi of Kenya, as "the most serious challenge to the survival of the OAU in its 18-year history."

South Africa may launch pre-emptive strikes deeper into Angola than in the past, its Minister of Defence, Gen Magnus Malan told parliament yesterday. The Defence Force admits to raids about 125 miles north of Angola's border with Namibia.

organisation is drifting apart," Mr Moi told delegates who included Presidents Julius Nyerere of Tanzania and Milton Obote of Uganda, and Foreign Ministers from Gambia, Lesotho, Libya, Congo and Upper Volta.

Philippines look to black market for aid on deficit

By Emilia Tagaza in Manila

THE PHILIPPINES had a dismal start in its foreign exchange transactions this year, and the country's monetary authorities are already setting their sights on an additional source of foreign currencies to help cover deficits: the black market.

The Central Bank yesterday announced a balance of payments deficit of US\$630m (P208m) for the first quarter of 1982, triple the figure for the same period last year. Last year's total deficit was \$360m.

As an incentive, banks are encouraged to place their purchased notes on time deposits with the Central Bank. For a minimum of 30 days and on sums of at least \$5,000, they will earn an interest above the London Interbank Offered Rate (Libor), the Singapore Offered Rate (Sibor), and even the U.S. prime rate.

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Transco Coal Company

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Morgan Guaranty Trust Company of New York

RepublicBank Dallas, N.A.

Security Pacific National Bank

Bankers Trust Company

Bank of America National Trust & Savings Association

Bank of the Southwest National Association, Houston

First City National Bank of Houston

First Interstate Bank of California

Irving Trust Company

Mellon Bank, N.A.

Texas Commerce Bank National Association

Bank of Montreal (California)

The Bank of Nova Scotia

Barclays Bank International Limited

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Swiss Bank Corporation

First National Bank of Louisville

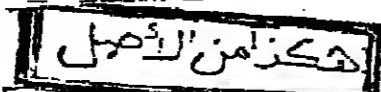
First Union National Bank of North Carolina

RepublicBank Houston, N.A.

United Virginia Bank

April 1, 1982

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AMERICAN NEWS

U.S. bid to offset Soviet gas imports to Europe

BY RAY DAFTER, ENERGY EDITOR

THE NORTH SEA natural gas industry could increase substantially its level of production to offset Western Europe's need for Soviet gas imports...

Watch on New York State's credit

DEBT ISSUES of New York State and certain of its agencies have been placed on Standard and Poor's Credit-watch List...

Robert Gibbens looks at why Montreal objects to the Canadian charter Quebec faces stiff economic test

M RENE LEVESQUE, Premier of Quebec, is threatening to use every legal means possible to block application of parts of the new Canadian constitution...



M Rene Levesque: "The new charter is pernicious."

Mr Levesque is now pinning his counter-attack on the constitution on the issue of language of education... He also needs to rally faltering support among the electorate...

Quebec is feeling the impact of the recession more strongly than any part of Canada outside the maritime provinces... Quebec is feeling the impact of the recession more strongly...

World recovery 'may be shaping up'

BRITAIN, Japan and France are leading the world out of recession...

U.S. offshore banking industry tops \$100bn

BY DAVID LASCELLES IN NEW YORK THE FLEDGLING offshore banking industry in the U.S. has just topped \$100bn...

Of seven major industrial nations, economic growth is forecast for the three countries. There is no change for West Germany...

Exploratory drillings currently under way in several Caribbean countries have yielded oil in Guyana and gas in Jamaica...

Guyana oil find

Exploratory drillings currently under way in several Caribbean countries have yielded oil in Guyana and gas in Jamaica...

The exploration, carried out by the Hone Oil and Gas Company of Alberta, Canada, has found light gravity oil...

Romania debt problem

Romania appears to be experiencing renewed problems with its debts to the U.S. Anatole Kaletsky reports from Washington...

Assessing the outlook, bankers here say that they hope the Fed and tax authorities will ease some of the constraints that still hamper the units and prevent them from being fully competitive...

Canada consumer prices up 11%

BY VICTOR MACKIE IN OTTAWA

CANADIAN consumer prices were 11.6 per cent higher in March than a year earlier. Statistics Canada, the Government statistics agency, reported yesterday...

Mauroy will meet Trudeau and Levesque

OTTAWA—M Pierre Mauroy, French Prime Minister, who was due to arrive here yesterday...

Next Monday and Tuesday, he will have talks with Mr Trudeau's political opponent, Premier René Levesque of Quebec in Montreal and Quebec City.

Canada consumer prices up 11% (cont.)

Efforts to rescue the CS13th (16.2bn) proposal have ground almost to a standstill. According to Government and oil industry officials who now hold out little hope the project can be saved before April 30...

WORLD TRADE NEWS

GE, Westinghouse win Egyptian contracts worth \$90m

BY CHARLES RICHARDS IN CAIRO

TWO U.S. companies, General Electric and Westinghouse, have each been awarded contracts to supply two turnkey power stations to Egypt. The total value of the two deals is nearly \$90m (\$90m).

Moscow pledge to Tokyo

TOKYO—The Soviet Union wants to solve the problem of its huge trade deficit with Japan not by imposing import restrictions but through expansion of economic inter-change...

Noting that two-way trade doubled in the 1976-1980 period to Roubles 12bn (\$8bn) over the preceding five years, Mr Sushkov said that trade was not progressing smoothly because Japan was following the U.S. in imposing economic sanctions against the Soviet Union...

Japan's U.S. investment grows at great pace

BY RICHARD LAMBERT IN NEW YORK

JAPANESE investment in U.S. manufacturing industry is growing at an explosive pace. Total foreign direct investment in the country rose from \$20.6bn to \$65.5bn (\$65.5bn) between 1972 and 1980. But Japan's investment rose nearly 28-fold to \$4.2bn over the same period...

Cement plant contract won in Indonesia

A JAPANESE company has won a contract from Indonesia's leading private cement manufacturer to build a \$290m (£161m) cement plant in central Java.

A major share in TMPC is understood to be held by Mr Liem Sioe Liong and a partner, whose Indocement group runs five plants accounting for around 35 per cent of Indonesia's total cement output of around 9m tonnes.

Hanover fair: a gaudy arcade for the madding crowd

BY JAMES BUCHAN IN HANOVER

THE IMMENSE exhibition hall for office electronics at the Hanover fair looks like an amusement arcade under some terrible curse. Amid the banks of flickering screens and ringing bells and buzzers, teeming throngs wander in confusion and delight...

Irish concern signs £7.5m freezers deal with Iraq

BY BRENDAN KEENAN IN DUBLIN

NOVUM OVERSEAS, the Irish manufacturer of domestic appliances, has signed an £8m (£7.5m) deal with Iraq to supply knocked-down freezers and complete their machinery to complete their manufacture in Iraq.

Cement plant contract won in Indonesia (cont.)

The new plant to be built at Cirebon in central Java, will have a capacity of 1.2m tonnes. Work is due to start next month and it should be on stream by 1985.

Count Otto Lamsdorff rallied his audience

BY JAMES BUCHAN IN HANOVER

turned his back on his squabbling SDP colleagues in Munich and opened the fair on a note of relative optimism. In a speech in the Hanover town hall on Tuesday, Count Lamsdorff rallied his audience with the prospect of better things. Interest rates began to fall, the wage round had so far produced promising signs of moderation...



Count Otto Lamsdorff rallied his audience

Handwritten text at the bottom of the page: مكي من الناصري



You know all those stories about Rolls-Royce?

In one day, Lawrence of Arabia and three Rolls-Royces destroyed two Turkish command posts, blew up a bridge, wiped out a regiment of Kurdish cavalry, blew up another bridge and destroyed 600 pairs of railway lines. His driver remarked: "The experience of driving a Rolls-Royce is one of continuous hustle."

THE suspension system on a Rolls-Royce is so sensitive it compensates for the gradual emptying of the petrol tank.

MISS Letitia Overend of Dublin drove her 1926 Rolls-Royce every day for over 50 years. Her sister, Naomi is still driving the same car.

THE 1982 Bentley Turbo accelerates its two and a half tons from 0-60 in 7.4 seconds.

EXTRAS fitted to a Rolls-Royce have included a pianola, an espresso coffee machine, a bed, hot and cold running water, an interior roof depicting the heavens - and a commode.

In tests the door of a Silver Spirit was slammed 100,000 times, to ensure it will always close with the distinctive subdued clunk.

THE Maharajah of Vizianagaram had a Rolls-Royce made of silver. Every year he blessed it with a shower of rose petals.

THE Rolls-Royce radiator is made entirely by hand and eye - without measuring instruments.

In the 1st World War a group of British officers driving a Rolls-Royce chased six German staff officers in a Mercedes across the Western Desert at 70 m.p.h. They eventually destroyed the German car and captured its occupants.

THE ashtrays in a modern Rolls-Royce empty automatically.

In 1910, for publicity purposes, Rolls-Royce engineers balanced a penny on the radiator cap for two minutes while the engine was running at full throttle.

THE hydraulic tappets on a Rolls-Royce are assembled the hard way - immersed in paraffin - to avoid contamination by dust.

A Rolls-Royce will support the weight of a full grown African elephant with only 1 1/2" of give. Rolls-Royce Motors do not recommend this.

It takes one man one day to make a Rolls-Royce radiator. Five hours are then spent polishing it.

ONLY one modern British Rolls-Royce has left the factory bearing any mascot other than the Spirit of Ecstasy. A very important Phantom VI has a St. George and the Dragon figurehead.

THE horn button contacts on a Silver Spirit are made of silver.

THE Duke of Westminster carried out commando raids in a 1914 Rolls-Royce. His exploits in it included charging a platoon of German cavalry.

LENIN fitted caterpillar tracks to his Rolls-Royce. The company do not recommend this.

THE air conditioning in a modern Rolls-Royce is unique - the only one in the world separately controllable at two levels - knee height and head height.

THE minimum distance between British parking meters was originally determined by the length of a Rolls-Royce Phantom V.

A secret electrical device on the 1982 Bentley Turbo holds its speed under 140 m.p.h. in the interests of safety.

THE Maharajah of Bhorapur had the mudguards and bonnet of his Rolls-Royce strengthened to allow huntsmen to stand on them while shooting.

THERE is a heat sensor in the Silver Spirit that automatically adjusts the temperature in the car to compensate for heat gain from the direct rays of the sun.

EVERY hour of the day or night there is, somewhere, a Rolls-Royce being driven on a 50,000 miles continuous test.

THE badge on a Rolls-Royce was red, until the year Sir Henry Royce died, when it was changed to black.

If during testing of a Rolls-Royce there is a noise so faint it is impossible to locate, an engineer will travel in the boot with his ear pressed to the floor until he can detect the source of the noise.

A 60 foot 1 1/2 ton flagpole once fell onto the bonnet of a Rolls-Royce in Delhi. The flagpole broke in two; the radiator of the car was undamaged.

YOU could drive a Rolls-Royce from the Arctic Circle to the Equator without once having to adjust the air conditioning - the interior temperature would remain constant.

A Rolls-Royce number plate - RR1 - was sold in 1968 for more than the price of the Silver Shadow to which it was attached.

ENGINEERS use a stethoscope to check the smooth running of the engine on a Silver Spirit.

HENRY Royce once destroyed 12 cylinder blocks with a hammer, having discovered minor imperfections in each one.

EACH craftsman engraves his initials on the back of every radiator he makes.

THE first 10 h.p. Rolls-Royce was sold for £395. Today it is worth approximately £250,000.

THE air conditioning in a Silver Spirit can change the air three times every minute.

EACH Silver Lady made between 1911 and 1951 bears the signature of the artist, Charles Sykes.

In tests, 5 Silver Spirits were crashed at 50 m.p.h. into a 100 tonne block of metal, then a 2,000lb block of concrete was rammed into the back of the cars at 20 m.p.h. to demonstrate the Spirit's ability to withstand impact.

THE Hon. C.S. Rolls represented Cambridge as a racing cyclist; Henry Royce sold newspapers for W.H. Smith.

It takes twelve hides to make the upholstery on a Corniche - enough to make 300 pairs of expensive shoes. The hides come from remote parts of Northern Europe, where the relative absence of insect pests and barbed wire produces the unblemished quality required.

In 1907 a Rolls-Royce attacked the world endurance record of 7,000 miles. After 14,571 miles the R.A.C. stopped the test. The cost of replacing worn parts was two pounds two shillings and sevenpence.

BEFORE any paint is approved for use on a Rolls-Royce it is subjected to three years testing in Miami, Crewe and a refrigerator.

ONE year after Henry Ford bought his Rolls-Royce, two engineers from Derby visited him to check the car was running well. He was so impressed he cabled Royce: "When I have sold one of my cars I don't ever want to see it again."

THE valve seats in a Silver Spirit are given a natural finish of one sixteen millionth of an inch.

EACH "Spirit of Ecstasy" (the Silver Lady) is individually sculptured and cast by a 4,000 year old Chinese 'lost wax' process. No two are alike.

BEHIND the instrument panel of a Silver Spirit is a mile of wiring.

THE largest purchaser of Rolls-Royce motor cars in the world was the Scottish Co-operative Society.

THE Nizam of Hyderabad had a throne installed in the rear of his Rolls-Royce; and a silver cupola in the roof.

THE world record for travelling from London to New York is held by a British businessman, using Concorde, two helicopters - and two Rolls-Royces. Four hours, twenty-three minutes, office to office.

ONLY one hide in 500 is considered good enough to be chosen for Rolls-Royce.

A cocktail cabinet with a cut glass decanter is standard equipment on the Rolls-Royce Phantom.

THE lines of the radiator are slightly bowed to give the appearance of rectilinearity - the same principle used by Kallikrates in building the Parthenon.

THE throttle linkage on the 1982 Silver Spirit was designed by Sir Henry Royce over 50 years ago. No-one has been able to improve on it - so it has never been changed.

THE air conditioning on a Silver Spirit costs as much to make as a complete Mini Metro.

SIR Henry Royce used to test early Rolls-Royce cars by dragging granite kerbstones up and down steep hills.

DAVID Ogilvy's famous fifties' headline: "At 60 m.p.h. the loudest noise in the new Rolls-Royce comes from the electric clock" was not a new thought. The Autocar review of the Silver Ghost in 1907 read: "At whatever speed this car is driven, the auditory nerves when driving are troubled by no fuller sound than emanates from an eight-day clock."

THE original "Silver Ghost" has covered approximately 600,000 miles. In June it will be driven from Glasgow to London, repeating a journey it first made in 1907. Rolls-Royce anticipate the journey will present no problems for the 75 year old car.

In construction, every car is accompanied by a "history book" which each man who works on the car signs to indicate that the part of the car for which he is responsible is up to the necessary standard.

EVERY Rolls-Royce engine is hand-built.

LENIN, Stalin and Leonid Brezhnev all owned Rolls-Royces - and so did Czar Nicholas II.

TEST drivers on the Silver Spirit have clocked up one million miles a year.

ONE of the pre-war coachbuilders for Rolls-Royce was descended from the coachbuilder for Queen Elizabeth I in 1564.

THE bodywork on a Rolls-Royce Corniche is constructed entirely by hand. The car itself takes five months to build.

DOCTORS declare the Rolls-Royce to be the only petrol car they could bring up to a patient's house and drive away without the possibility of disturbing the patient". Rolls-Royce advertisement, 1910.

SIX out of ten of all the Rolls-Royces ever built are still on the road.

ROLLS-ROYCE will always be British. Should the company ever fall into overseas ownership, the name will die.

They're all true.

Thatcher rules out deal on future of South Georgia

BY IVOR OWEN

BRITAIN'S readiness to use force, if necessary, to remove the Argentine invaders from the Falkland Islands...

Inflation below 10% this year says PM

By Ivor Owen

THE RATE of inflation is expected to fall below 10 per cent "well before the end of the year" the Prime Minister told the Commons yesterday.

Labour claims tax policy benefits only rich

BY JOHN HUNT, PARLIAMENTARY CORRESPONDENT

THE TAXATION policies of the Government have hit the average taxpayer and the low-paid and benefited only those earning at least five times average earnings...

the problems of the low tax threshold is causing substantial hardship and a great disincentive to everyone in work...

Unionist MP cuts Tory links

MR WILLIAM ROSS (OUP, Londonderry), has severed his links with the Conservative Party in protest at the Government's plans for a new Assembly in Northern Ireland...

Biffen made communications co-ordinator

By Elinor Goodman, Political Correspondent

THE PRIME MINISTER has given Mr John Biffen the job of co-ordinating the Government's communications in addition to his position as Leader of the House of Commons.

Two replacements planned for Schools Council

BY MICHAEL DIXON, EDUCATION CORRESPONDENT

THE GOVERNMENT is to wind up the Schools Council, a quango formed in 1964 to oversee national examinations as well as school curriculums in England and Wales...

Business in parliament next week

COMMONS

Monday and Tuesday: Finance Bill Committee stage. Wednesday: Debate on Northern Ireland White Paper, VAT Order.

Healey flies to Washington to press UN

BY ELINOR GOODMAN, POLITICAL CORRESPONDENT

MR DENIS HEALEY, the Shadow Foreign Secretary, flew to the United States last night in the wake of Mr Francis Pym, the Foreign Secretary, to press the case for direct UN involvement in the Falkland Islands dispute.

Labour Party has supported the Government's use of diplomacy backed by strength. The shadow Cabinet endorsed this stance earlier this week...

APPOINTMENTS

Tate & Lyle post

Mr Peter D. C. Greenway has been appointed group personnel director of TATE AND LYLE. He was deputy chief executive of Tate and Lyle Refiners.

John Hunt on the Liberal/SDP Alliance's limited aims in the North East's biggest city

The Old Guard awaits the challenge

A STATUE of the second Earl Grey gazes loftily over the centre of Newcastle upon Tyne above a plaque proclaiming him the fearless and consistent champion of liberty.



BRIDGE OF SIGNS? City MPs await the local polls as a pointer to their future. Left to right: Mike Thomas (SDP Newcastle East), Harry Cowans (Labour Newcastle Central) and Sir William Elliott (Conservative Newcastle North)

It is a suitable background to the present political struggle in this heartland of the Labour-dominated North East, where the Social Democrat-Liberal Alliance is facing its first big test in the elections for the city council on May 6.

also blame Labour for the steep local rates, at 23p in the pound the highest outside London.

But things are not quite that simple. There has been considerable public and private investment in the area, and despite the grim unemployment the city still has an air of prosperity.

Most importantly, and paradoxically for the SDP, the local Labour Party is still dominated by the moderate Old Guard, although the Militant Tendency and the Bennite Labour Co-ordinating Committee are beginning to make significant inroads.

Mr Allan Buckwell, secretary vassing for the SDP in a working class area of the city was alarmed to hear a man shout to his wife: "Don't have anything to do with that lot - they're the Militants."

Under the heading "In their own words" they quote Mrs Shirley Williams saying: "We believe that a centre party would have no roots, no principles, no philosophy and no values."

This article is the first in a series by FT writers assessing the mood of the country in the run up to the council elections on May 6. Next, Manchester.

Mr Thomas holds Newcastle East for the SDP with a majority of 6,170 and is a popular local figure. Just outside the city boundary Mr John Horam has Gateshead West with an 8,312 majority.

Under the heading "In their own words" they quote Mrs Shirley Williams saying: "We believe that a centre party would have no roots, no principles, no philosophy and no values."

One is constantly told by local people that the Labour Party in the North East has become ossified and undemocratic, and that the seemingly monolithic facade conceals a hollow interior.

Local decisions 82 TYNESIDE

himself on the council as a member of Militant but "as part of the general struggle for a more radical position".

Mr Peter Chester, director of the West Country Road Board, has been appointed director of strategic planning for the BRITISH TOURIST AUTHORITY. He succeeds Peter Baynes, who retires in June.

This means it will be difficult for SDP candidates to play the moderate card against Labour opponents who, in many respects, are not so different from themselves.

The Alliance believes it will take seats equally from the major parties. But it seems more likely that it will gain more from the Tory vote, where the Liberals have already made deep inroads.

Recent canvassing in two polling districts where the Conservatives previously had a majority of the votes showed that 30 per cent intended to vote SDP in the local elections.

Officially both major parties are treating these Johnny come lately with disdain, but beneath the surface there is a great deal of trepidation.

At the same time, there are signs that the power of the left is steadily growing in the local party. Candidates associated with the Militant Tendency and the Labour Co-ordinating Committee (LCC) are standing for five wards and the secretary of the local LCC was recently selected as parliamentary candidate for Newcastle North.

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UK NEWS - LABOUR

British Rail proposes to cut 5,000 jobs

By David Goodhart, Labour Staff BRITISH RAIL yesterday announced proposals to slim its repair and maintenance sections with the loss of more than 5,000 jobs in the next year. The proposals—presented to the unions at an informal committee meeting of the Railway Shopman's National Council—would mean the closure of the works in Norwich, Lanes and Shildon, Co Durham, and halving the workforce at Swindon. Mr Sidney Hoggart, BR deputy industrial relations director, told the unions no decision had yet been made on the redundancies. However, a work allocation study had shown that 5,000 jobs were surplus. Mr David Rees, a National Union of Railwaymen executive member, said his union has a policy of fighting all compulsory redundancies, with strike action if necessary. The Confederation of Shipbuilding and Engineering Unions will be meeting on May 5 to work out a response. Mr Hoggart said that even with more government investment the jobs would still go because of new technology. The slimming down would cut British Rail engineering's (BRE) overheads from £100m to £18m, he said. The redundancies would be spread across most of BRE's 12 workshops. Some 2,185 of these would come at Shildon which faces total closure by April 1983. Norwich, which would also close by April 1983, would lose 1,381 jobs and faces total closure apart from the foundry. Swindon is due to lose 1,200 jobs by December 1983, and Derby Loco 360. Mr Hoggart warned that further recession could mean even more job losses for BRE's 50,000 workers. The main reasons for the cut backs—apart from the general effects of the recession—are a smaller fleet of locos, especially in freight, being more efficiently used; tight financial control by Government and difficulties of obtaining export orders. Some jobs may however be saved following two recent orders for railway coaches worth about £50m.

Union faces split on new technology

BY PHILIP BASSETT, LABOUR CORRESPONDENT

FIERCE internal conflict between manual and white-collar sections of the engineering workers union is emerging over the crucial issue of control of new technology in the engineering industry. Conflict about computer-controlled machine tools is adding to the wide differences between the moderate dominated Engineering Section (ES) of the Amalgamated Union of Engineering Workers and the Communist-led Technical, Administrative and Supervisory Staffs section (TASS). Disagreement between the two over closer working relationships is currently the subject of court action over further AUEW amalgamation, and the divisions have been exacerbated by Tass setting up an internal section for manual workers. This follows a transfer of membership to Tass from the 1,600-strong National Union of Gold, Silver and Allied Trades. This has already caused problems, particularly in Birmingham and the Hatton Garden area of London where most goldsmiths and silversmiths work. The transfer is likely to increase the possibility that the Sheet Metalworkers' Union will seek a merger with Tass to give itself a white collar base. Mr George Guy, general secretary of the Sheet Metalworkers' Union, wrote in the most recent issue of his journal that, because craft workers will tend to seek

technician status, "the need is for craft unions and technician unions to find common forms of organisation." The policy making national committee of the Engineering Section is meeting in Eastbourne this week. Mr Terry Duffy, its president, has his aspirations throughout the industry. "Our union can cater for and give service to any of our members who accept change, whether it be staff, technicians, supervisory or managerial," he said. "We must dissuade our members from changing their union when they change their job within manufacturing industry." The specific issue at the heart of the current conflict between the two sections is over the introduction of numerically controlled (NC) and computer numerically controlled (CNC) machine tool equipment. The national committee decided yesterday to investigate Tass's activities surrounding new technology and to urge full support for any local committees which take action to oppose Tass. ES leaders made it clear they were fighting Tass wherever equipment was being introduced. They claimed successes at Plessey and Ferranti, where negotiating rights have already been won. Tass have won similar rights at Lucas Engineering.

Hoover lays off another 690 at Scots plant

By Mark Webster

A FURTHER 690 workers were laid off yesterday at Hoover's plant near Glasgow where a continuing strike by electricians threatens to disrupt the company's investment plans. The company, which is rationalising its factories, says the strike by 27 electricians at the Cambuslang plant has forced a rethink on a £7m project to manufacture a model of vacuum cleaner there. The latest lay-offs mean that 820 men belonging to the Amalgamated Union of Engineering Workers are idle without pay. The company said there will be more lay-offs next week if an agreement with the electricians is not reached. Mr Eddie McAvo, AUEW works convenor, said the management had escalated the strike to close the factory and reopen it under new terms of employment. His union was pressurising both management and the electricians to negotiate. Hoover said that in more than 30 meetings with the unions no progress had been made on the pay issue. Nor had the company received assurances it wants on work practices flexibility.

College of Nursing to ballot members on 6.4% pay offer

BY JOHN LLOYD, LABOUR EDITOR

THE Royal College of Nursing is to take the unprecedented step of balloting all its 195,000 members on the Government's 6.4 per cent pay offer. Dame Catherine Hall, RCN's general secretary, has warned of the "depth of feeling" among nurses on the offer. The college's committee on industrial relations yesterday reaffirmed its view that the offer is inadequate. The nurses have demanded 12 per cent. The ballot, which will cost between £40,000 and £50,000 to arrange, will not include a recommendation from the RCN executive, but Dame Catherine said that the college "had made its disapproval of the offer fairly clear." Rejection of the offer could not result in industrial action because RCN rules prohibit it. Dame Catherine said the nurses would, as in the past, seek to gain public support. The issue of industrial action will be debated at the college's annual conference in Harrogate next week when the executive will face calls for the amendment or deletion of the clause in the rules which prohibits action. A successful move against the rule would require a further ballot of the membership for a change to be effected. The union side of the Whitley Council, in which the negotiations take place, meets today to discuss the position of the various unions. The Confederation of Health Service Employees (Cahse) is to begin boycotting non-emergency work from Monday and the National Union of Public Employees (Nupe), which has most of the ancillary workers in the health service, is to make a decision on industrial action on May 7. Miss Val Cowie, the RCN's director of industrial relations, said yesterday that the college's members would be told not to do work normally done by Cahse members unless sanctions were endangering a patient's health. A call for nurses' pay to be linked directly with police pay is on the preliminary conference agenda of the 230,000-strong Confederation of Health Service Employees, writes David Goodhart. The motion says that in the 1983 pay negotiations a nursing assistant should receive the same as a first-year police constable. A campaign for parity with the police should be launched if the offer is rejected.

Managers fully back labour law reforms

By Our Labour Editor BRITISH MANAGERS appear solid in their support for the employment legislation—though many believe they will not need it and there are some fears about its consequences. Mr Roy Close, the British Institute of Management's director general, told the BIm's Barnaby branch dinner last night that the main features of the Bill provided protection for companies against the abuse of power and for the individual from abuses under closed shop arrangements. However, he said that managers did not expect to have to resort to the law, because he believed that good industrial relations would come about more effectively by increased consultation and participation. "We know that more stable industrial relations in the long run depend on the direct relationships between management and employees and the development of voluntary participative procedures at the place of work." A survey of more than 200 chief executives has shown strong support for most measures in the Bill—though there remains some uncertainty about the desirability of disciplining union officials. The survey, in the magazine Chief Executive, shows that support for measures to curb closed shop has grown sharply over the past few years. Only 18 per cent of respondents believed that it was "unrealistic" to attempt to disrupt it, compared with 52 per cent in 1977.

Top civil servants face Tebbit Bill row

BY JOHN LLOYD, LABOUR EDITOR

THE EXECUTIVE of the First Division Association, which represents Britain's senior civil servants, will face a barrage of criticism from its members over its qualified support for the TUC's campaign against the employment legislation. An emergency motion from the executive to the FDA's conference in London next month expresses support for their director general, told the BIm's Barnaby branch dinner last night that the main features of the Bill provided protection for companies against the abuse of power and for the individual from abuses under closed shop arrangements. However, he said that managers did not expect to have to resort to the law, because he believed that good industrial relations would come about more effectively by increased consultation and participation. "We know that more stable industrial relations in the long run depend on the direct relationships between management and employees and the development of voluntary participative procedures at the place of work." A survey of more than 200 chief executives has shown strong support for most measures in the Bill—though there remains some uncertainty about the desirability of disciplining union officials. The survey, in the magazine Chief Executive, shows that support for measures to curb closed shop has grown sharply over the past few years. Only 18 per cent of respondents believed that it was "unrealistic" to attempt to disrupt it, compared with 52 per cent in 1977.

Miners press for end to tripartite talks

BY IVO DAWNAY IN PERTH

LEFT-WING unions will continue to urge the TUC to withdraw from the National Economic Development Council despite a special TUC conference decision not to break off talks with the Government as part of its campaign against the Employment Bill. Mr Mick McCahey, president of the Scottish area of the National Union of Mineworkers (NUM), told the Scottish TUC conference in Perth yesterday that the miners, together with other left-wing unions, would continue to press the TUC leaders on the issue. But in certain cases, union representation on national tripartite bodies was in the interests of workers, he added. Earlier this week, the Scottish miners accepted a request from the STUC general council to withdraw a call to boycott tripartite bodies. Speaking on a motion pledging vigorous opposition to the Employment Bill yesterday, Mr McCahey told delegates that the decision had been taken to ensure unanimous support for the TUC's campaign against the Bill which would inhibit closed shop agreements and curtail union immunities. He added that the unions must adopt "widespread agitation and aggressive action" to defeat the Bill. Directing his comments to the National Coal Board, he warned that any attempt to employ non-union labour in the mining industry would provoke a total stoppage of all NUM members. "I am not seeking the co-operation of the NCB in this," he said. "We are telling the NCB that, if it brings in non-unionists we will not be there to discuss it." Mr Larry Smith, executive officer of the Transport and General Workers Union, told the congress that it was prepared to provide substantial funds to back the TUC campaign. He warned that the union would not allow funds to be spent on paying fines of unionists prosecuted under the legislation. "It may be better for us to go to jail," he said. Several other speakers urged the congress to ensure that the dangers of the Bill are made clear to members in offices and factories around the country. Mr Willie Garvie, an official of the Union of Shop, Distributive and Allied Workers, told the delegates: "The anti-union legislation will not be defeated by passing resolutions at union conferences. It will only be defeated by convincing our members at shop-floor level."

Tax staff union urged to seek links with Labour

BY OUR LABOUR CORRESPONDENT

FURTHER SIGNS of pressure on some non-political unions for closer links with the Labour Party are shown in resolutions to be considered by the tax staffs union. A proposal from the Inland Revenue Staff Federation's Stoke branch suggests that "the IRSF can no longer afford to stand aside from politics and that the National and Local IRSF and especially affiliation to the Labour Party should be fully discussed." It hopes to present this for debate at the union's annual conference in Peebles next month. The Civil and Public Services Association, the largest Civil Service union, will also consider motions on Labour Party affiliation on its agenda. A ballot on the issue is being held in the National and Local Government Offices Association, the largest union outside the ranks of the party. The Nalgo ballot is expected to reject affiliation and the moves in the CPSA and in the IRSF Staff Federation are also unlikely to succeed. But, they indicate continued pressure for closer political links with unions which have been involved in recent strikes against politically aligned employers in central and local government. The IRSF Stoke branch wants the union to circulate a recommendation on affiliation to the Labour Party in time for a full debate by next year's annual conference. The effect of last year's 21-week strikes in the Civil Service over pay in which the IRSF played perhaps the most prominent part, is also reflected in other motions. One calls for the local network of Council of Civil Service Unions committees which ran the strike at local level to be set up on a permanent basis. Clear dissatisfaction with the CCSU leadership during the strike is also expressed in motions of no confidence in Mr Bill Kendall, the secretary general. Other motions reject the idea of a no-strike agreement; seek amalgamation with other civil service unions.

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THE PROPERTY MARKET BY MICHAEL CASSELL

Development doubts fail to deter new schemes Trafalgar sells City offices

ALTHOUGH there are signs that the distinctly less buoyant outlook for commercial property is provoking a much more cautious approach towards development...

themself with such problems will tend to lick their wounds in private, the experience could have a decided impact on their willingness to commit new funds to property in 1982.

department store and additional shop units in Walsall. The centre following site assembly, is expected to take about two years to build.

been given the go-ahead, free from the customary Surrey or other local user restrictions.

An intensive pre-let campaign for the building, to be known as St George's House, will begin today (St George's day) through Knight Frank and Rutley and Vernon Smith.

TRAFALGAR HOUSE has sold 30 Cannon Street, the ten-storey City Office building which it developed in 1976 and retained in its investment portfolio.

finance from Pearl Assurance for its new international conference centre off Parliament Square.

coming from the government. The amount of space let, sold or under offer in the EC and WC postal districts of London (embracing the City and Holborn) rose for the second month running...

There is now, however, some evidence of resistance to further funding of development projects on the part of the institutions and selectivity has become an even more important element in their considerations.

Short list

This week brought news of schemes involving property companies as well as institutional finance. Having held their breath since being put on a shortlist of four, Heron Property Corporation has emerged as the successful development partner for the Walthamstow shopping centre in east London.

The scheme, on which work will begin in 1983, comprises 254,000 sq ft of shopping and includes three streets and about 50 shop units.

In another shopping centre project, Norwich Union is seeking planning permission to develop a 140,000 sq ft complex at Walsall in the West Midlands.

Work on the project is now starting and will entail the development of 117,000 sq ft gross of office space in two buildings.

At the other end of the country, Cussins Property has won detailed planning consent for the reconstruction and refurbishment of its freehold Handside arcade in Newcastle-upon-Tyne.

It is understood that, after a brief search for a buyer, Debenham Tewson and Chimcocks have found a willing taker for the building which is fully let at rents running from around £12.30 a sq ft to about £26 a sq ft.

Mr. Heseltine's latest statement emphasises that the two parties had not disagreed over the funding terms but that the centre would be more appropriately financed from public funds.

Mr. Heseltine's latest statement emphasises that the two parties had not disagreed over the funding terms but that the centre would be more appropriately financed from public funds. It is understood that a Treasury veto on the plan might have led to the change of heart.

As brokers Hoare Govett recently pointed out, in those cases where trading projects have been laterally financed the profit and loss account is now taking the strain but where programmes and commitments have been increased in expectation of sales of earlier completions, the need for refinancing could become pressing.

The scheme will include an 80,000 sq ft department store, to be occupied by Owen Owen, and a further 40,000 sq ft store is also planned.

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At the end of 1981, Trafalgar House bought in the remaining lease on a single, 4,700 sq ft floor of the building for a six-figure premium and let it out to the 'Trafalgar Bank' at a rent of around £26 a sq ft, about twice the rent payable by the vacating tenant.

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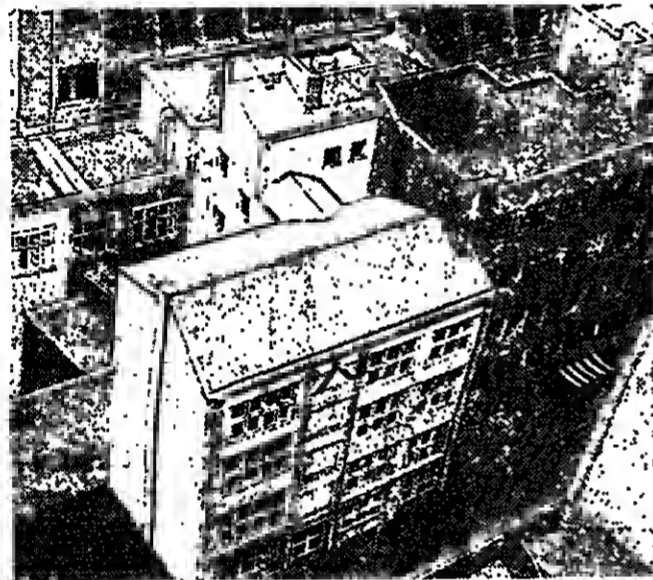
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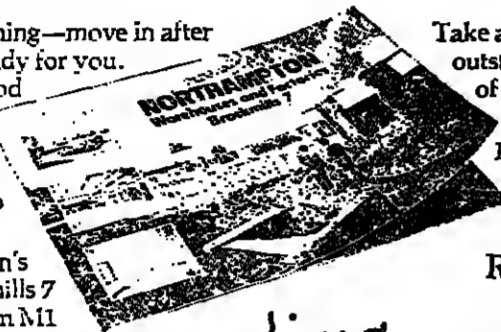
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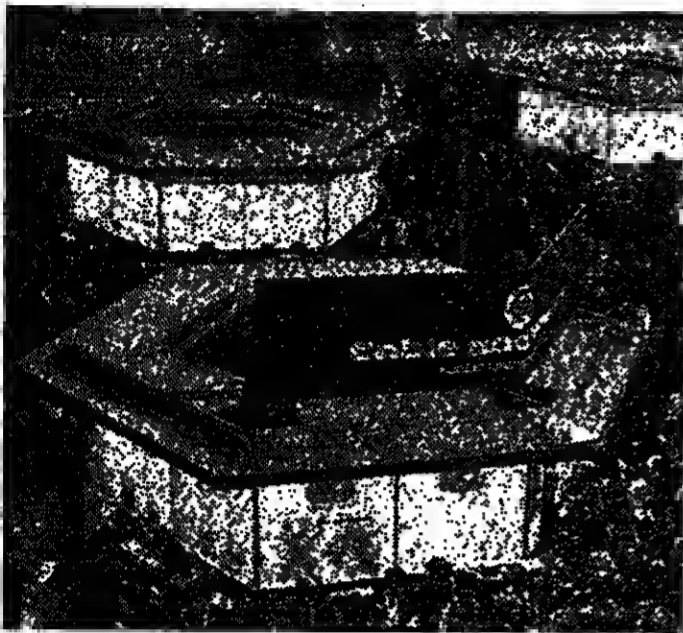
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FINANCIAL TIMES SURVEY

Friday April 23 1982

On the opening day of the conference of the Public Relations Consultants Association, an assessment of achievements and prospects

Public Relations



The Stock Exchange floor on the first day of dealings in the shares of Cable and Wireless. A leading public relations and advertising consultant advised the Department of Industry in their offer for sale to the public of almost half the company

Demand is buoyant despite recession

BY DAVID CHURCHILL, Consumer Affairs Correspondent

THE PUBLIC relations industry, once considered merely as an extension of the advertising and marketing worlds, has now well and truly come into its own as a business speciality in its own right. Public relations in the 1980s is about more than simply supporting the sales effort: it is nowadays, as Dorothy Drake, former head of information at the Confederation of British Industry (CBI), points out "involved in the effective management of companies' relationships, not only with their customers and potential customers, but also with the public at large, with the media, with parliament, and with Whitehall."

PRCA only has about a quarter of the total number of PR consultancies in membership, its members account for the bulk of corporate spending on PR services. The fee income of association members last year topped £20m, compared with some £16m in 1980.

Fee income up

Those consultancies who have been in membership for the past two years reported their fee income up by an average 14 per cent, which indicates that some real growth was being made even during a time of recession. Just as the advertising industry itself reports that companies have maintained their promotional spending during this recession — unlike previous economic downturns — so the demand for PR consultancy services has held up during the past two years.

David Wynne-Morgan, chief executive of Extel Public Relations, suggests that this buoyancy may be partly due to major controls recognising that the easiest way to build up brand share is during a recession when the competition is at its weakest — hence PR benefits along with advertising.

Mr Roderick Dewe, chairman of Dewe Rogerson, suggests that PR consultancies have also benefited from companies cutting back on their internal PR departments and using outside consultants instead.

Mr Denis Inchbald, chairman of Welbeck, reports that demand from companies for marketing support services has steadily increased over the past year, and that the corporate PR sector is doing well, possibly because

companies are having to watch their image during the cut-backs imposed by the recession.

Mr Jim Dunn, managing director of Travel Press Service, also points out that "public relations is proving more cost-effective in comparison with advertising which can be very expensive."

However, what most consultants have quite clearly noticed is that companies are being more careful in their spending on public relations. Josephine Lunberg, managing director of Bursen-Marsteller, says that "clients are taking longer to make up their mind about PR proposals," although she adds that companies are also recognising the need for PR advice at a much earlier stage than previously.

Mr Keith Payne, vice chairman of Charles Barker Lyons, also detects signs that companies are hesitating more before accepting proposals. "Companies are not cutting back on their PR spending but are becoming increasingly careful — as is only to be expected — of committing themselves to a major PR campaign," he says.

Ann Dickinson, chairman of the Kingsway Group and a vice-chairman of the PRCA, also points out that it is the well-managed PR consultancies that are benefiting most at present "with the less professional people suffering."

This need for tight financial controls has resulted in a number of mergers over the past year or so, as smaller companies have been swallowed up by more successful consultancies. (Although there still remains room for the second-line consultancy to avoid a clashing of clients).

Earlier this month, for example, Extel PR was formed out of the merger of four existing companies within the Extel group and by the acquisition of Shareholder Relations.

The success of the PR industry in establishing itself, however, cannot mask the fact that there is still a long way to go before

PR is as widely accepted as any other management function.

Bruce Clark, managing director of Communications Strategy, points out that a recent pilot research project "suggests that the smug self-satisfied attitude of many consultancies is misplaced."

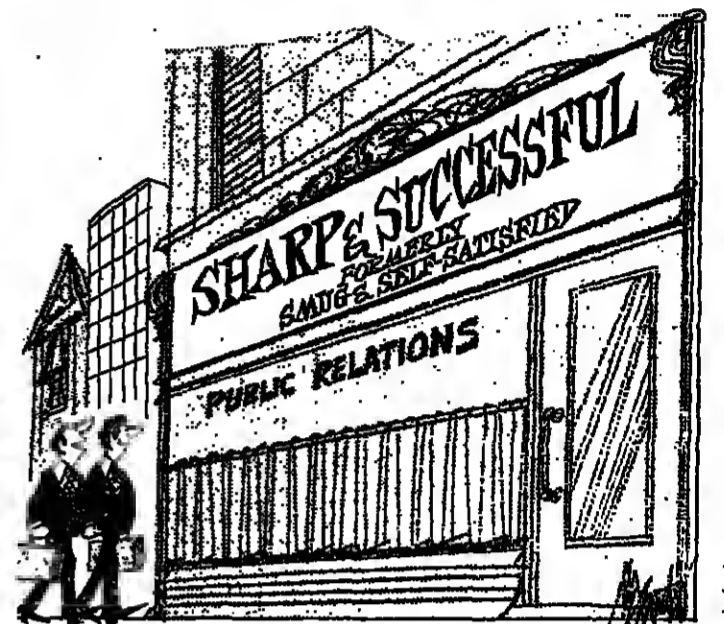
The project, carried out by the Schlackman market research group, was based on a sample survey from advertisers listed in the Advertisers' Annual. Some 43 replies were received from marketing or advertising directors. When asked to name a PR company, just over half were unable to do so, indicating that they had a low interest in this particular marketing function. The 47 per cent who claimed to know a consultancy were only able to name some 45 firms out of a total of 290 listed in the London area. The best-known company had only a spontaneous awareness level of 5 per cent, and 39 had a level of 2 per cent or less. Fewer than one third of the respondents felt capable of rating the companies in terms of professionalism.

Disturbing

The qualitative comments made by the respondents were even more disturbing, suggests Mr Clark. Many of them cast doubt on the professionalism of PR companies, and added that they felt the costs involved in employing a PR company were high in relation to the benefits.

Others saw consultancies as "being useful for specific tasks when their own PR departments were overstretched or lacked a particular skill." The authors of the report also commented: "A lot of respondents saw PR as being gimmicky, difficult to evaluate, unprofessional, and expensive."

Mr Clark suggests that there is a "tremendous educational job still to be done." He adds that "the industry must shake off its complacency and use its skills to show businessmen the real value of public relations." The PRCA has been seeking



"I see the industry is beginning to lose its complacency"

to fulfil this educational role through its activities, including the publication (with the Financial Times) of an annual year book listing all association members, with their clients.

Mr Jim Winship, chairman of Shearwater Communications, suggests that part of the problem may be to do with poor training. "Even clients used to employing consultancies frequently criticised poor presentation or writing ability — areas in which there can be no excuse for shoddiness," he says.

The economics of public relations in the 1980s may mean that the industry will increasingly be dominated by the large companies, with more following Good Relations' decision to go public. Hill and Knowlton, the UK end of the U.S. PR consultancy, this month announced that its income from fees has topped £1m for the first time.

However, consultancies do not always have to be big to survive. Small consultancies also have a role to play. "It may be something of a cliché, but small consultancies such as ourselves can offer a very different — and personalised — approach to that of the big groups," says Diane Vandenberg, who has built up Vandenberg Associates over the past four years and now runs it from London's Golden Square with a staff of seven.

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Editorial production by Arthur Dawson Design by Philip Hunt	

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increased by nearly half to over £11,500,000. This year our income is already running nearly one third higher.

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Dewe Rogerson

PUBLIC RELATIONS III

Before exploring all the options objectives must be defined, says David Churchill

How to choose the right PR path

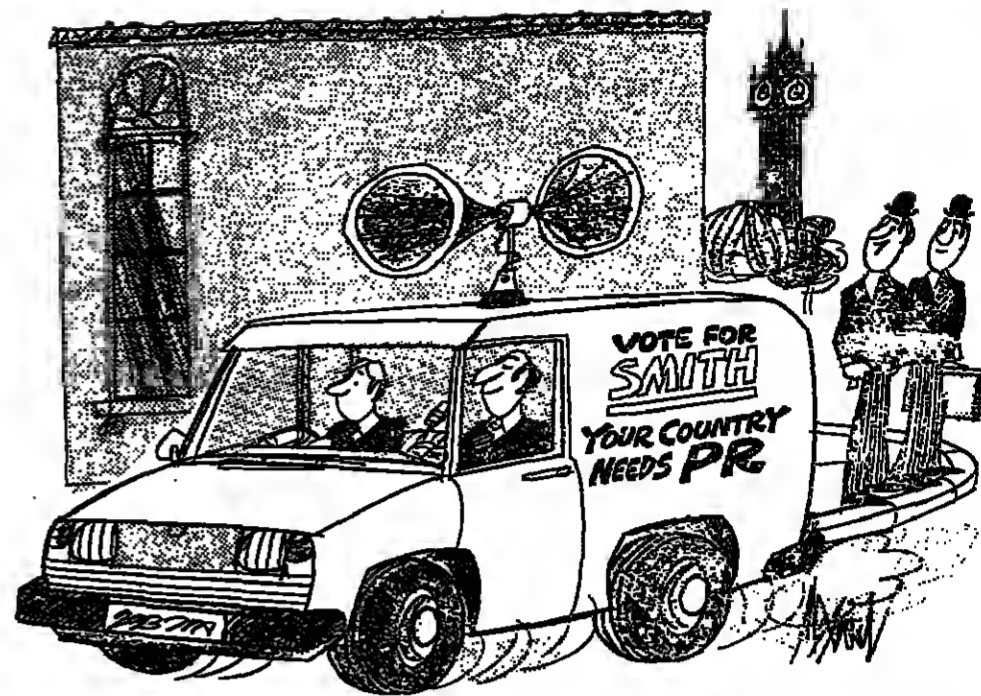
COMPANIES WHICH want to develop a public relations programme would appear to have two clear options...

"puffs" and house journals nothing more than sales catalogues. Moreover, the PR department may be asked to do too much, simply because many senior management are unclear exactly what is required from the department.

Charles Barker and Good Relations, down to the smallest one-man operation. In such a relatively new area as PR consultancy, it is not surprising that there are many small operators and these should not be ruled out simply because they are small.

Secondly, companies should have clear objectives of what they want from a public relations programme. Next, make initial contacts with four or five consultancies with these objectives in mind.

The PRCA suggests looking for consultants who make a clear assessment of the contribution of public relations to achieving these objectives and who formulate a concise and interesting strategy. Look for people who can "carry out the five functions of ideas, action, continuity, control and review."



"These days it's more likely to mean Public Relations than Proportional Representation"

Antony Thorncroft reports on one of the major growth areas In the specialist world of lobbying

The main advantage of an in-house PR is simply that the department's activities are geared full-time towards the company concerned. A consultancy, on the other hand, will have a number of clients and will only be able to apportion a part of its time according to the agreed fee.

High profile Such internal departments are particularly useful if the company is involved in high profile activities such as car manufacturers. It is important in these cases for the internal PR department to present an accurate picture of what is happening within the company.

This is where the specialist public relations consultancy comes into its own, since it can provide expertise in a number of areas as a result of employing different specialists and service a variety of clients.

One key point to bear in mind is that PR consultancies are not strictly comparable to an advertising agency, even though many PR groups are in fact subsidiaries of larger advertising agencies.

Beware, however, of being impressed by a consultancy's client list, just because it carries some major companies on it. The consultancy could be working for only a small part of the company, or one specific product launch, and you could find three or four consultancies all claiming to represent the major client.

The reasons The Public Relations Consultants Association stresses that companies should be well aware of what they want before employing a PR consultancy. "Your real reason for seeking a public relations consultancy is presumably because you want to achieve something: to increase sales, for instance, or to get the site of a proposed airport moved, or to fight a takeover bid, or to get a Private Members' Bill through Parliament.

DESPITE THE ambitions of the present Government to get off the backs of business, companies are finding increasingly that their activities are being influenced, for good or usually ill, by the decisions of parliament, both British and European, and local authorities.

At one time political PR had rather a bad name: there was the occasional scandal, usually involving a foreign government. Now it is a much more sophisticated affair, extending at one level from the supply to companies on a daily basis of information culled from transactions in the Houses of Parliament, the Select Committees, and the EEC.

information as possible on which to make decisions and that they are delighted to receive background data on topical issues. Of the PR companies adopt the shotgun approach, showering every MP with weighty documentation which disappears into the waste paper basket along with dozens of similar mailing shots.

Successes Sometimes the lobbyists can be remarkably successful. Burson-Marsteller claims among its successes the campaign which removed excise duty from Angostura bitters. It also worked for Marconi last year, informing civil servants, journalists and MPs about the advantages of its Stingray torpedo and helped to win a contract.

contract. At the local level it made the case to journalists and councillors for Macdonalds which was meeting much opposition from residents of Hampstead who objected to its fast food restaurant in their smart High Street.

Among Charles Barker's triumphs was a part in removing North Sea gas fields from the Petroleum Revenue Tax, a great benefit to client Amoco. It was also active in getting the tax on Derv reduced, which pleased the Freight Transport Association. It is trying now to lower the duty on matches and mechanical lighters, much increased in the Budget, arguing that the law of diminishing returns has set in.

As Parliament changes, with more power going to Select Committees and decision-making getting more diffuse—the need for industry to receive advice on how to get its views across becomes ever more pressing. In the main companies make such a poor fist of handling their own relations with Government that PR has an opportunity here which it must learn to exploit even more.

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Michael Morley (Chairman) or David Davis (Managing Director) will be happy to tell you more about us, our experience, our organisation and the services we provide. Please cut out the coupon and send it to the address given.



1 The SINCLAIR ZX81 personal computer was launched in the Spring of 1981. It is now the world's most popular micro computer. 2 Michael Foot led a party of MP and local councilors who visited CONTROL DATA's factory at Brynmawr in South Wales during the Summer. Other important events during the year for CONTROL DATA were the opening of the Genesis Centre in Warrington and the first UK customer installation of a Cyber 205 'supercomputer' at the Meteorological Office, Bracknell. 3 The winner of RAVENHEAD's Barmaster of the Year contest (an event linked to the company's top-selling range of glasses in pubs, restaurants and bars) turned out in reality to be the hostess with the mostest. Picture shows her being presented with her prize by RAVENHEAD's managing director at a widely publicised Dorchester lunch for the finalists. 4 The VITAMINS DIVISION OF ROCHE entrusted Edelman to organise on their behalf a major international symposium on Vitamin C at Warwick University. This involved all aspects of administration, and the achievement of media coverage in eleven European countries as well as the UK. Three hundred and fifty delegates from 21 countries attended. 5 Edelman planned and publicised NIMBERLY-CLARR's sponsorship of the Kent County Show championships. The winner, pictured, was Stephen Hatley on Corona Bay. 6 Working with Westminster City Council, UNITED GLASS CONTAINERS has installed new 'bedside' bottle bins on ten sites in the borough, replacing the familiar skips. Picture shows the bins placed in Leicester Square in the heart of London. The experiment is part of UGC's campaign to build up recycling of glass in London, the South East and Scotland. 7 The launch of ORACLE TELETEXT as an advertising medium in August was organised by Edelman at the office of the I.T.A. The concept won widespread coverage not only on television news, but also in local and national press, specialist press and on local radio. 8 The first half of 1981 saw an intensive media relations campaign undertaken for FLYMO and its product ranges which are sold in a fiercely competitive market.

Tell me more about: Edelman in the UK, DJE International Public Relations Group, We would like to see your Video Tapes. Name, Position in company, Company Name, Address.

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PUBLIC RELATIONS IV

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Nicholas Leslie on the effects of social change

Displaying the best corporate profile

FOR A number of agencies specialising in financial and corporate public relations the past two or three years has been anything but a period of recession. Income and profits have risen strongly and new services have been introduced, with a consequent expansion of staff.

For others it had been a more difficult period, with either significant shake-ups involving key directors moving on to new pastures or mergers taking place and some established names disappearing.

To a large extent this has been a reflection of the way that the nature of corporate and financial PR has been evolving, not only within agencies themselves, but also inside those companies that are existing or potential clients. Today, companies are for the most part no longer interested in merely seeing their names mentioned in national newspapers and specialist press.

Social change has brought with it the pressure on companies to be more accountable not only to their shareholders, but also to employees, unions, various pressure groups and the public in general. At the same time, many are dealing on a more international scale and are raising capital and loans in various overseas markets.

PR really for and, given that the price can be considerable, is it cost effective? The agencies have no uniform answer to the first point, though they are united, not surprisingly, in saying that the cost produces a good return. Each agency tends to have a particular definition and approach. But there are some common strands.



“Just hang on while I ring our PR people to see how this should be presented.”

anial, and Peter Gummer at Shandwick Consultants—though Gummer does not differentiate between financial and corporate PR. “We have a resource of people who can help business in different ways. I don't worry about labels. A client comes to us when he has a problem. We try to solve it.”

Agencies help companies attain market recognition in a number of ways: advising on the form and presentation of financial results and to whom they should be sent; organising regular briefings and seminars and visits to companies.

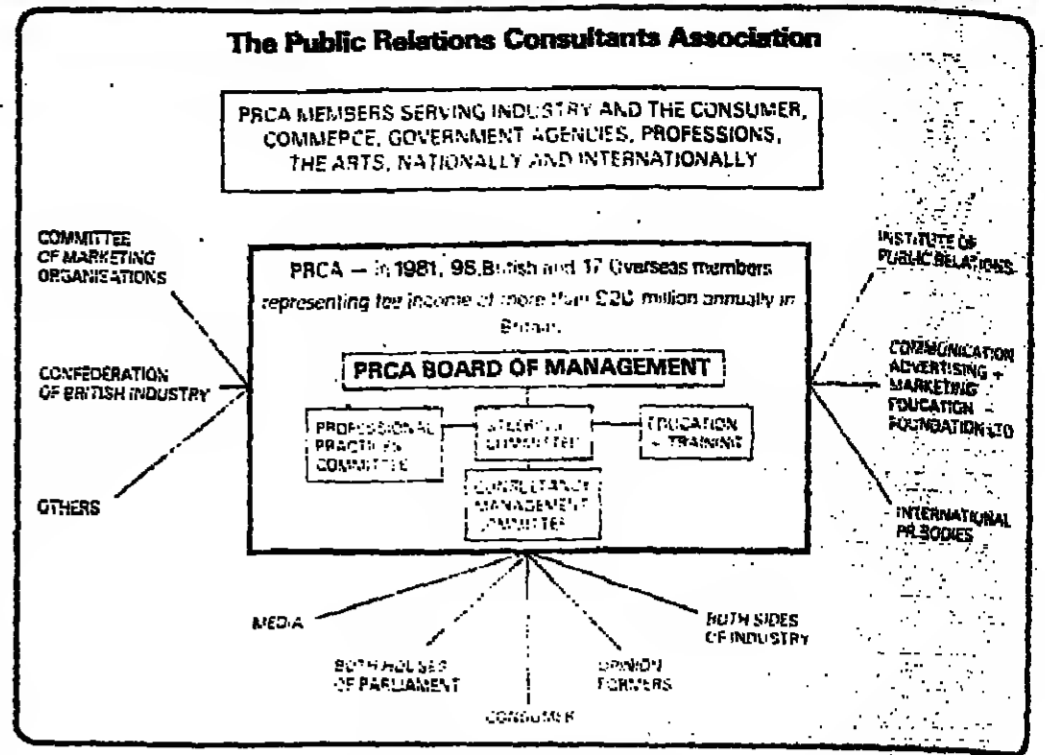
At the same time companies are expanding overseas either by acquisition or by setting up their own operations and they believe—and are certainly led to believe—that they have a better chance of success if their corporate objectives are widely understood in each business community they enter and elsewhere—and, increasingly, that includes political circles.

Much of an agency's time will be spent merely advising a company how best to approach a given situation—be it a takeover, presentation of financial results, disclosure of management changes, corporate restructuring, raising money or—if it is a private company—how to approach a public flotation of their shares. Much of the rest of their time is devoted to organising the consequent strategy and putting it into effect.

Agencies stress that they are not taking on the role traditionally associated with, say, stockbrokers and merchant banks, but are an adjunct to them. But they also claim that top management increasingly calls them in at a much earlier stage in, say, negotiations for a takeover.

They reckon there is a recognition of the greater competence of agencies to handle a diversity of situations—a reflection of the range of people now working in the larger agencies in particular. Today, former specialist financial and business journalists, bankers, stockbrokers, accountants, chartered surveyors and qualified company secretaries are to be found in the major agencies like those already mentioned, as well as Charles Barker, CIPS, Good Relations and Burson Marsteller.

The growth of corporate and financial PR is perhaps also a consequence of another development. Business generally is under pressure to raise its public profile and improve its management. PR can be a means by which management displays what it believes to be the fruits of its competence. At one time PR had the reputation of massaging the egos of its clients. That has not totally disappeared, but the audience has become too large and too wise for window dressing to be so widely practised.



Standard-bearer for the industry

ONE OF the key reasons for the growth of public relations as a separate and thriving business sector has been the guidance offered by the Public Relations Consultants Association. The association, formed in 1969, now has some 93 members in the UK—about a quarter of the total number of PR consultancies—with a further 17 members based overseas.

The association has been responsible for improving the standards of service offered by member consultancies with the result that many companies now deliberately seek consultancy advice from PRCA members only.

This raising of standards has been aided by the Code of Consultancy Practice, which defines the qualifications and obligations of a public relations consultancy and its relations with its clients, and sets up an accepted standard of professional practice. The association's board of management appoints a disciplinary committee to handle any breaches of the code by members.

The code, which has 15 articles, includes such guidance as "a member firm shall not negotiate, propose, or agree terms with a client or a prospective client on the basis of fees being contingent upon specific achievements."

pose to clients any action which would constitute an improper influence on organs of government or legislation.

The association is governed by a board of management under a chairman serving a two-year term. The present chairman is Duncan McLeish. The board has 15 members, from both large and small consultancies.

Executive decisions are taken by the steering committee, which meets monthly and puts forward recommendations to the quarterly board meeting. There are also special committees concerned with professional practices, consultancy management, education and training.

Membership criteria is strictly controlled to ensure that standards are maintained. Potential members have to give detailed information on the background of all workers or directors, services have to be categorised, and any outside interest—such as a newspaper stake in the consultancy—has to be declared. Complete lists of the consultancy's existing clients have to be given, with the date on which the consultancy started working for them.

Financial details for a three-year period are also requested by the association; those consultancies with shorter than three year existence can only become associate members. Membership also requires endorsement from two existing association members.

The association publishes an annual register of its members giving full details of each consultancy to help prospective clients choose an appropriate consultancy. The association also publishes guidance papers and booklets on all aspects of consultancy work, as well as a public relations yearbook in association

with the Financial Times. Today's conference is an annual event organised by the association. Regular research into consultancy costs and salary scales is also carried out by the association.

David Churchill

Advertisement for Eagle Alexander Communications, listing services such as Berkshire Hosley (UK) Ltd, National Coal Board, Solid Fuel Advisory Service, Coloroll, etc.

WHY IS THIS THE BEST AD IN THE WHOLE P.R. SUPPLEMENT?

Since we haven't seen the other ads, we're just guessing. But it's an educated guess. And if we're not mistaken, they'll all be saying the same old things. This ad is different, because the people at Biss Lancaster are different. Most of us are marketing and business people, not journalists. We gained our experience in advertising agencies and client companies, not newspapers. So of course we find it easier to relate to your problems; they used to be our problems. Of course we're better able to understand your more sensitive needs; we've had to

communicate those needs to PR companies ourselves in the past. And of course we're more likely to be your sort of people, because we've been your sort of people. Of course, following the logic, it's true to say that our background is bound to enable us to write a better ad about ourselves. But it's also true that it's easier to write a better ad when you've got a better product. **BISS LANCASTER** Believe it or not, a public relations company you can relate to.

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Institute of Public Relations

THE INSTITUTE of Public Relations was set up in 1948 with the aim of promoting "the development, recognition, and understanding of public relations," and to "establish and prescribe standards of professional and ethical conduct."

The institute is a professional association for people in the public relations sector and membership is open to various grades—student, affiliate, associate, member, or fellow. The institute has its own code of ethics and provides assistance to members in advice, information, and education. It is a member of the CAM (Communications Advertising and Marketing) education foundation which sets course studies and examinations for the CAM diploma in public relations.

It also has a policy of setting up groups catering for special interests covering local government, consultants, and the City and financial public relations. There are also active area groups throughout the country.

Training needs

THE EDUCATION and Training Committee of the Public Relations Consultants' Association is collaborating with the Institute of Public Relations (Communications, Advertising and Marketing) to determine the training needs for entrance into the PR business in the light of changing client needs.

The business has coped with a lack of formal training, which means that some PR companies have instituted internal training schemes—“but only large companies can afford to do this,” comments Anne Dickinson of Kingsway, one of the UK's largest independent PR companies, and vice-chairman of the PRCA. Another large company with an in-house training programme is Burson-Marsteller which engages workshops on account-handling, audio-visual presentations, marketing Press relations, market research, print and production techniques.

Advertisement for P.R. Firm, featuring a form to request a free booklet and contact information for The Quentin Bell Organisation Limited.

Advertisement for SHALE GORNALL LIMITED, highlighting 9 nominations including Best New British Performance and 18 larger consultancies beaten in competitive pitches.

Advertisement for John Barker Associates, stating it is an independent public relations, advertising and marketing agency specialising in corporate, financial and product promotion.

PUBLIC RELATIONS V

Travel: a magic circle of agencies

FEW AREAS of public relations reflect the drama and complexity of the business more fully than the specialist sector of travel. Other business fields rarely have two peak viewing television shows devoted to them (TV's Wish You Were Here and BBC's Holiday programmes); with the possible exception of property no other business activity has more pre-allocated newspaper and magazine space; and, perhaps more alarming for those involved in travel, few stories excite news-desks more than travel stories.

Adele Biss. It is an area which involves intensive political lobbying; an active involvement in customer and trade relations; a more than usual close involvement in overall market stance; and the delegation of considerable decision-making power to the PR arm.

American Express) and Biss Lancaster (the Association of British Travel Agents, Pickfords)—it is the smaller specialists who predominate. The acid test for a real involvement in travel PR is attendance at one or more of the major travel events of the year, probably the ABTA convention, the ITB (International Travel Bourse) in Berlin and the World Travel Market in that order.

These and the half dozen similar organisations which are closely involved with travel find themselves in an odd world. One moment they are holding drinks and the next there is a crash, an overbooked hotel or a cholera epidemic. Rosamunde Bern, the cheerful head of an all-female PR outfit that handles Britain's

Association of Independent Tour Operators as well as market giant Intasun, remembers 1981 with an occasional shudder, for example. In March there was an outbreak of Legionnaire's Disease at an Intasun hotel in Benidorm. The first headlines were a PR's nightmare. "We arranged for Intasun's chief executive to make statements to the Press, national and local newspapers and television about their offer of a sifrit and changing hotel guests to other hotels. We also manned the telephones for 24 hours a day to answer Press queries," says Bern. The consultancy shipped national daily and Sunday reporters to Benidorm, particularly medical writers, and gradually the coverage swung into Intasun's favour.

Arthur Sandles

CASE STUDY

Brightening the can's image

CORPORATE ADVERTISING and corporate public relations have been growing rapidly recently as companies realise that their image is vital in attracting customers and employees and in getting governments and local authorities to take them seriously.

had the power to appoint an advertising agency and oversee the advertising element in the campaign. Not surprisingly, the Marsteller agency was appointed to handle the advertising. The first task was to devise a more attractive public face for an object which was being taken very much for granted, if not seen as positively boring.

Apert from creating a brighter image and an information service the consultancy is ensuring that a succession of can stories is paraded before the market. For example it is publicising the new quarter litre cans that are being introduced and is ready to promote wine in cans if tests on this product prove successful.

Even more far-reaching is a £2m plan to increase the recycling of cans. The can industry has some recycling schemes—Alcoa's "Cash-a-can" project pays the public 40p per kilogramme to return aluminium cans, but now a major programme involving can consumer collection schemes in 20 cities is underway, based on an experiment in Leeds, where charities receive 55 a tonne for cans returned. The ambition of the

At Burson-Marsteller there is an eight-strong team working on corporate image-polishing, and last year the consultancy took on an assignment for the leading manufacturers of cans in the country which is one of the costliest and most ambitious PR accounts in the UK.

Last September they were personally informed of the arrival of The Can Makers by letter, by a reception, and by advertising in their trade press. Contact is being maintained through a quarterly periodical The Can Makers Bulletin, and leading-can buyers are being urged to take advantage of the Can Makers Information Service which has been opened in the PR company's offices.

In the past there was little statistical information about the container industry, which allowed the competing forms of packaging makers to hurl con-

£1m to 'reinforce the can's reputation' THE CAN MAKERS People prefer cans—claim One way of devising a more attractive public face for the humble can

CASE STUDY

It pays to be colourful with paint

Crown is the number two in the paint market, some way behind ICI's brands; it has to try harder. In particular in the summer of 1980 it was worried by research which suggested that Crown was seen by the public to be poor on colour, especially in its range on offer.

CROWN MATCHPOTS: IS THIS THE PAINT REVOLUTION? Mini paints from Crown POT SHOT AT PAINTING Crown stirs up paint sales with Match Pots

Headline grabbing helped to project Crown's new Matchpots showing the range of colours in paint

In its attempts to meet this gap it came up with an idea which has not only helped the brand to increase its market share but also made an obvious contribution to consumer satisfaction. It is an idea which has been promoted mainly by public relations. A series of meetings involving Crown, its advertising agencies, its promotional company and PR consultants, Charles Barker Lyons, brought forth Matchpots, small pots of paint, 75 ml in size and costing just 25p, which much more adequately than the conventional colour chips enabled customers to test whether the colour they bought was the colour they really wanted for home decoration. If it measured up when they got it home they could conveniently buy the 2 litre big pots of paint—and set their 25p back as a discount of the price during the introductory period at least.

Matchpots were launched through public relations in March 1981 and supported a month later with advertising from J. Walter Thompson. There was a presentation to the trade and consumer press and exclusive stories were developed for the nationals. To make sure of a publicity success the PR company hired Paul Daniels, and the premises of the Magic Circle, for the launch. Daniels also performed before the major retail buyers at the JWT agency. The fee of £5,000 for the two days was earned many times over in editorial column inches. Daniels actually devised a trick involving a Matchpot—and a £10 note, and his name on the press-investigations certainly increased interest in what might have been seen as another routine

Press conference. To keep the momentum going Charles Barker Lyons arranged some "research" exercises which were bound to attract publicity. The first was "The Great British Bedroom," which involved famous names as well as the public at large, quizzed through a Gallup Poll. The revelation that the nation considered pink to be the sexiest colour for a bedroom collected a mass of press cuttings, and was followed up by the television programme "That's Life." It was an obvious technique but at least people were thinking about colour, and paint, and perhaps Crown, too.

Last year Charles Barker embarked on some even more blatant headline grabbing for Crown, encouraged by the success of the bedroom idea. It got Gallup to conduct a survey into "The smallest room in the house." As well as discovering that most lavatories were painted blue—18 per cent, followed by white and green, it used the research time to ask people everything you might want to know, and more, about the lavatory. Some of the data would undoubtedly interest sociologists—that "loo" was the favourite descriptive word in London, but only used by 10 per cent in the north east. Toilet has become the vernacular word, employed by 80 per cent.

In London, 30 per cent of homes have two lavatories, while in Lancashire 20 per cent are still outside the house. With questions about bidet ownership (7 per cent) locking the door (43 per cent don't bother) and occupations while there (20 per cent read), Charles Barker was certain to get a wide range of editorial coverage, as well as picking up the odd fact, such

as that 70 per cent of Scots buy matching accessories for their lavatories, which might be useful to its client. Such exercises might fall into the category of poney and contrived PR stories but in this case Charles Barker could justify the expense by producing new information of wide popular interest and by not taking the research too seriously. In such a competitive business as paint, which is almost a commodity market, it is probably naive to be anything but brazen. Another Charles Barker exercise for Crown was to offer a £30,000 house through a competition in the Star and the Daily Express at the time of the Matchpot launch. It attracted 70,000 entries and the PR company was able to produce the kind of statistic loved by PR companies—that the brand name Crown was printed 30m times during the promotion. The results from this brush campaign are impressive. In the first three months 3m Matchpots were sold (although not many were redeemed), and Crown's share of the emulsion paint sector rose by 3 per cent to almost 19 per cent. More important perhaps 1,000 new stockists took Crown's paints because of Matchpots—they were offered a good deal on the little pots, which managed a profit for all concerned even at 25p. There are now 22 colours in the Matchpot range in two finishes and Crown intends to stick with the idea. It will take a long time to bring colour into a paint market where white still holds over a half of sales but for Crown, the colours are taking trade away from ICI and improving its image at the same time.

A. T.

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ADVERTISEMENT

NEW YORK CITY Make it where the market is

BOROUGHES

Between the rivers and the deep blue sea

BROOKLYN

Once the principal suburb of Manhattan, Brooklyn would now rank as the fourth largest city in America, ahead of Philadelphia, San Francisco, Detroit and other better known metropolises, less overshadowed by the dwarfing presence of Manhattan.

But the symbiosis with Manhattan also allows Brooklyn, as well as the other four boroughs of New York City, to deflect many big-city pressures that might have affected an atmosphere still able to glory in Renaissance-century townhouses, a 50-acre botanical garden, public golf courses and of course Coney Island. Outside of Cairo and London, Brooklyn has the world's greatest collection of ancient Egyptian treasures, the gift of one of many of Brooklyn's famed sea captains whose lookout-topped houses still stretch out along the fashionable riverside promenade of Brooklyn Heights.

Now the likes of Norman Mailer live where the sea captains once eyed the panorama of Manhattan and the open sea, and a restaurant is snuggled close in the base of the Brooklyn Bridge to give visitors more than a passing glance at what makes Brooklyn still an enviable and relaxed refuge from the pressure of Big Brother Manhattan.

QUEENS

Right behind Brooklyn, Queens would be America's fifth largest city on its own, and as New York's largest borough with a third of the city's total land area, it borders along the seaward coast of Long Island. Providing most visitors' first view of New York as the site of both La Guardia and Kennedy Airports, Queens is an aggregation of neighbourhoods that makes it a mini-United Nations. In fact, it was the site of the U.N. from 1946 to 1950 before the permanent headquarters were established in Manhattan.

Queens was also the site of New York's two World's Fairs - in 1939-40 and 1964-65. Its extensive territory includes the Jamaica Bay Wildlife Refuge and Gateway National Recreation Area with a long stretch of beach, as well as two nationally ranked race courses, Aqueduct and Belmont, and stadiums for baseball, football and tennis (site of the National Open Championships).

Named after Charles II's Queen Catherine of Braganza, the borough has long been a manufacturing site for some of America's most famous products, including Steinway pianos, Tiffany lamps and Marx Brothers comedies, with the brothers themselves living in the borough's elegant Richmond Hill section.

BRONX

Named for a 17th-century Swedish farmer called Bronck who had a 500-acre farm there, the Bronx was a rural outpost until transformed by the 20th century growth of New York. The subway lines that stretched up Manhattan and across its northern tip into the Bronx turned the area into the home of prosperous immigrants who were every bit as proud of their Grand Concourse addresses as other New Yorkers were of Park Avenue.



The five boroughs of New York

Still home to the "Bronx Bombers," also known as the New York Yankees, the area became a stepping stone to suburban living when cars made Connecticut accessible to the immigrants' children. The borough's centre moved northward the Connecticut border and its own rural attractions like the pier-side restaurants of City Island, a world-famous botanical garden, the unique Bronx Zoo, and the still highly regarded neighbourhoods of Riverdale and Co-op City.

STATEN ISLAND

Least expected of New York is its Staten Island, which has ranches, a Tibetan-art museum and all the attractions of country living within the confines of New York City. Still most easily accessible by ferry, its connection to the mainland was stricken until the 1964 building of the Verrazano-Narrows Bridge, which is longer than the Golden Gate and, indeed, is the longest suspension bridge in America.

Wild Asia Plains, Bronx Zoo



MANHATTAN

Manhattan might have been where the city began with Peter Minuit's \$24 purchase from the Manhattan Indians, but New York long ago outgrew the little island to become as diverse geographically as it is known to be demographically.



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LABOUR

Love's Labour's Won

The old news about the New York labour market is the abundance of skilled and semi-skilled workers, including a pool of available talent among welders, mechanics, electricians, plumbers, machine- and press-operators.

The new news is that in many of these key industrial jobs, New York labour is cheaper than it is in the once-belly-brood sun belt of the American southwest. Reflecting average wage rises that went up by 53 percent in Dallas over the five year period 1975-80 compared to only 35 percent in New York City, the new wage comparisons gathered by the U.S. Bureau of Labor Statistics show a startling turnaround in the relative expense of labour to manufacturers in different parts of America.

Using 20 categories of clerical, manufacturing and maintenance jobs common to a number of businesses, the Bureau found that in 13 of them, Houston workers were paid more than their New York counterparts. The difference was as much as 32 percent for carpenters, who earn an average of \$8.83 an hour in New York and \$11.69 an hour in Houston. There is a ten-percent difference in pay for secretaries and 13 percent for typists, while machinists make eight percent more money in Houston than in New York and painters get 26 percent more in Houston than New York.

These differences reflect a number of

changes in tangible areas like union-management relations and intangibles like the reversal of historic expectation. New York unions have indeed made an important contribution to the revival of the city and the full support its workforce has given to both the city's own budget and to the manufacturers operating in New York. "Over the past decade, we have enjoyed very good union-management relations," commented Philip E. Robinson, the manufacturing division manager of Procter & Gamble's Fort Ivory facility on Staten Island. "There have been no strikes, productivity has improved and we find relations mutually beneficial and cooperative," he noted about the company's 1000-strong unionized skilled labour force. He added that New York provides "a very good pool of skilled talent to draw from," as much so that Procter & Gamble has increased the size of its Fort Ivory facility over the past decade.

Samuel M. Ehrenhalt, Regional Commissioner of the Bureau of Labour Statistics, called the differences between New York and southern labour "an historical turnaround of quite a fundamental sort. It's a real reversal of traditional relationships."

For Bronx sporting goods manufacturer Dan Golomb, a partner in Everlast Sporting Goods Manufacturing Company, which makes boxing gloves and shorts, "We're sitting on top of the largest unskilled labour pool outside California, and this pool has enormous potential!"

The other end of New York's labour market has been of particular interest to pharmaceutical manufacturers, Pfizer, Inc., New York's largest manufacturing employer. "We have a need for outside

scientific consultants, in addition to our own scientific and professional business personnel," commented Peter G. Tombras, vice president and director of operations for the Roerig division of Pfizer. "When you go out to look for talent, you find the best part of the job market is right here. New York attracts a certain kind of individual - aggressive, ambitious, looking to get ahead."

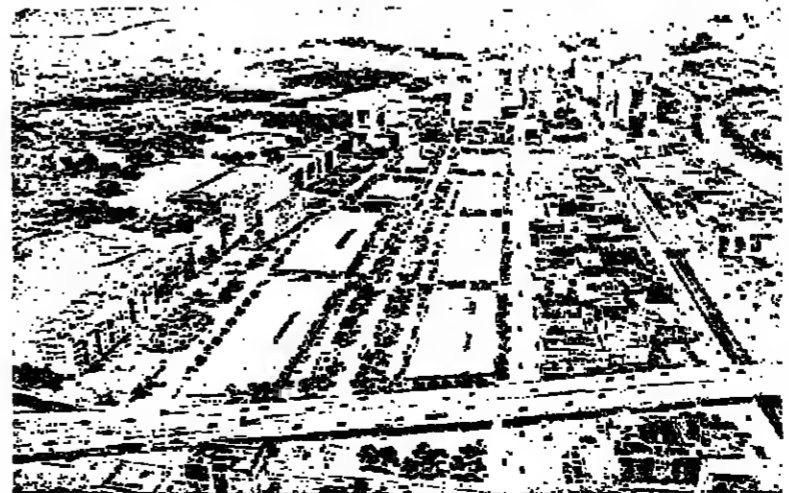
And just as Pfizer needs to find specialists among New York's top-rated hospitals and research facilities, it also relies on the specialists in advertising, public relations and printing, the best of whom are also in New York. "Printing, for example, is extremely important for us and we can get what we need overnight if necessary."

Equally valuable for Pfizer has been the accessibility of manufacturing facilities to the world headquarters on 42nd Street in New York. "We have a big advantage in being able to work very closely with our production people. Management and production people can meet together in the morning and expect to start implementing what we talked about that afternoon."

Confirming Mr Tombras's attitude toward the kind of executive talent New York attracts is a survey conducted for the accounting firm of Touche Ross & Company which showed that most foreign executives prefer New York even over London and Paris, as well as other American cities.

Compared to other American cities, 58 percent of the executives chose New York, 19 percent San Francisco and 5 percent Los Angeles, while the international rating made by the 236 executives interviewed gave New York 53 percent compared to 6 percent for London and 4 percent for Paris. If executives themselves would choose New York, the city government is continuing its efforts to attract the middle classes who started moving into the suburbs after the Second World War. Jeeves of Belgrave, the specialized cleaners, were delighted to find the skilled staff they needed in New York when they set up shop with 14 employees in 1980.

Such advantages to businesses and industries of every sort depend on a concerted government effort, including the proliferation of subsidized middle-class housing and tax abatements for the renovation of loft spaces and old hotels into now quite elegant flats and cooperatives. By these means, the city lured its coveted labour market to live, as well as work, in New York.

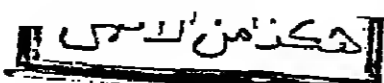


The plans for the Bankgate Industrial Park in the Bronx

Tradition shouldn't be the enemy of innovation.

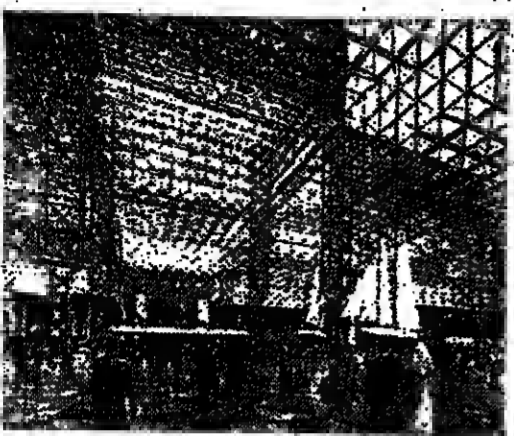
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Convention Centre

After rejecting a proposal in the mid-1970s to build a convention centre on a platform in the Hudson River, New York managed to find a land-based site in Manhattan on which is now being built the largest Convention Centre in the Western Hemisphere.



N.Y. Exposition & Convention Center

overcomes from Pennsylvania Station and Madison Square Garden.

Now under construction with a mid-1984 opening date, it is already almost fully booked for its first two years' operation. Double the size of the present Convention Centre, it boasts 500,000 square feet of exhibition space on one level, year-round operation, and a stunning design by the internationally-known firm of I.M. Pei Associates, which also did the East Wing of the National Gallery in Washington.

Called New York's "Crystal Palace" by the Mayor, the new Convention Centre was planned at a time when the city had less confidence in its attractiveness and so went all out to provide the superlatives that would bring visitors to the city.

Now that the city has been enjoying an embarrassment of popularity, the head of the new centre has had to trek round America explaining that the city really is full of reasonably-priced hotel rooms and convention reservations are being accepted through 1990.

Vitamaster

Vitamaster Industries Inc., a Brooklyn manufacturer of physical fitness and exercise equipment, sells \$19 m a year's worth of exercise bicycles, jogging machines, massage belts and saunas.

Employing 185 skilled and 35 clerical workers, the company expanded into exports last year so that its products are now available "all over the world, from Iceland to Australia" according to export manager P. A. Rogers.

The decision to export was facilitated by the company's New York location, where freight forwarders, piers and sales personnel are accustomed to doing business internationally. The first year, exports accounted for 4/5 of the company's business, a figure Mr Rogers expects to increase considerably as the company's product becomes better known.

The skilled unionized labour force at Vitamaster was easily recruited in Brooklyn and the company has enjoyed harmonious management-union relations, so much so that Mr Rogers expressed surprise that the question was even asked.

As for making body-building equipment in New York, he thinks there is no better place in the world to do it.



Edward G. Taylor of TTI

More than English

For setting up the American branch of Technical Translation International Ltd., the London based company and Edward G. Taylor, President New York needed only office space, which the Business Marketing Department of the New York Chamber of Commerce and Industry was able to find for them conveniently on Fifth Avenue.

The business founded by TTI, to the delight of Mr Taylor, (who himself speaks French, Spanish, Hungarian as well as English) exceeded the first three years' projections in the first three months.

So unexpected was the workload, that it had to be farmed out to the company's British parent, where 85 employees and a pool of over 5,000 freelance translators handle technical, legal and commercial translation and interpretive work.

TTI started with only a small staff in the New York office and now expects to expand to 5 to 10 branches within the next few years. Mr Taylor finds operating costs more favourable in New York than London, with space less tight and rents cheaper in his Fifth Avenue location where he is amazed at the amount of business he has been able to generate in the less than six months the company has been in New York.

"To be on the scene is crucial," he commented, "and New York, as the commercial and financial capital of the world, is the scene to be on." In addition to this often-heard description of New York, Mr Taylor added that it "is now becoming the headquarters of manufactured products in addition to the service industries. There always was manufacture, but usually of unusual items. Now it is exporting technical knowhow and finished products," for which TTI is finding a growing business in supplying operating manuals, advertising copy, and other internal and external company communications.

"We're going to be in New York a long time," Mr Taylor commented, "and luckily we have a large office with the promise of plenty of room to expand as we need more space."

A vital move

If it seems incongruous for two women to own an aircraft supply manufacturing company, consider their willingness to be the first occupants of a new industrial park in the Bronx. This is the experience of Lola and Arlene Blatt, who transferred their 40-year-old Aircraft Supply Products Company from out of State to Bathgate Industrial Park within the last year.

Though Arlene Blatt speaks of the repudiation with which the move was made, she is delighted with the result. Her main fear was that having made the commitment to the new site, the incentives offered by city, state and even the electric company might have been forgotten about.

Instead, she now says that "more people will come to New York when they see how successfully a company can make such a move."

The company got a substantial tax credit for the 80 new jobs created by the plant. The rent "is low, but even better, the escalation is low — so that it will definitely beat the rate of inflation and get cheaper as time goes on." And while the new plant is the same size as the one the company moved out of, the new one was customized for them and leaves room for expansion.

The electric company is giving Aircraft Supply Products a 25 percent discount on its electric bill as part of a programme lasting until 1991 meant to encourage relocation to the Bronx.

The Public Development Corporation, a public body, helped select and train the company workforce and the Blatts have high praise for everyone, including the city's highest officials in the Mayor's office, the president of the city council and the borough president of the Bronx, all of whom kept their promises and made them feel welcome.

"With companies' buying offices at Kennedy Airport and the great deal being offered by city officials, I predict this will become a centre for small aircraft supply companies like ours," predicted Arlene Blatt.



Sklar's surgical plant

Surgical skill

America's largest family-owned surgical instruments company has been in New York since 1892.

Celebrating its 90th anniversary this year, J. Sklar Manufacturing Co. Inc. was founded by a Russian immigrant who started by making models for obstetric forceps that the company still produce today.

Now costing \$450, the forceps are but one of a line of 4000 surgical instruments the company makes. It has also branched out into suction equipment used for draining blood as well as sterilizing trays, racks and detergents.

Taking an average of three hours to produce each hand-finished instrument, the company employs a highly skilled workforce of more than a hundred craftsmen. Though unionized, they are still trained by the apprentice method that takes as long as five years to complete. Such an investment in manpower requires dedicated personnel, and with only one strike in the company's history, which occurred in 1949, executive vice-president Alan L. Sklar, the third generation of the family to be in the business, feels he has access to skilled and loyal workers.

The company plant, which looks like a home in Queens, has excellent access to New York's airports, from which many of the company products are shipped. "The location is very convenient for us," noted Mr. Sklar, "because we can get things out through the airport and we find that customers also come in to New York where we get a chance to see them."

The company's design team of ten people is constantly meeting the needs of the surgical profession. "Doctors come to us with a drawing or description of what they need and we make it for them," said Mr. Sklar, who is not a designer in the tradition of his grandfather but still himself has a patent for an instrument tray that the company makes. There might be as many as 30 new instruments the company is called upon to make in a given year, a service that Sklar's tradition, personnel and location allow it to perform for the medical profession.

Staten Island stability

This year celebrating its 75th anniversary on Staten Island, Procter & Gamble, America's largest advertiser and soap and toiletries manufacturer, has expanded its Port Ivory facility as it has expanded its brands and businesses.

The latest addition to the company is Solo, a heavy-duty detergent, which is manufactured exclusively at the 135-acre Port Ivory site. In addition, Port Ivory makes Mr Clean, Comet, Ivory soap, Tide and Cheer, among soap products and Duncan Hines layer cake, Crisco and Puritan oil among food products.

The second facility Procter & Gamble started outside its Cincinnati headquarters, Port Ivory was the site of a major company expansion into food manufacturing and annually makes multi-millions of cases of Procter & Gamble products.

Philip E. Robinson, manufacturing division manager for Port Ivory, said that the facility, despite its age, enjoys considerable cost advantages. "Our strength has always been lower than average distribution costs. We primarily ship by truck, but we also use the containerized shipping facility next door at Howland Hook for overseas delivery. From here we just don't have to haul so far. In addition, over the last decade we have definitely become more competitive in productivity and energy expenditure through upgrading our plant facility and enjoying very good union-management relations."

For a company whose closest association with New York in most people's minds is Madison Avenue, Procter & Gamble has found good reason to be celebrating its 75th anniversary of manufacturing and distribution on Staten Island.

Bed and Board

Having had a company showroom in New York for its exclusive line of women's lingerie for three years, Ripcosa did not take long to decide to set up a New York manufacturing plant.

Yet it was only when the New York Chamber of Commerce and Industry approached them with the offer of help in locating a factory that the company even thought of making its products "where the market is."

Joseph F. French, Senior Vice President of the New York Chamber of Commerce and Industry, visited Ripcosa headquarters at Grimm & Co in Karlsruhe, Germany, last November. By April, Ripcosa of America will be manufacturing lace underwear in Long Island City, Queens, in a 10,500-foot factory found for the company by the Business Marketing Department of the Chamber.

Company manager Doris Schwartz, while still waiting for the equipment needed to get started in manufacturing, could not be more delighted with the decision to use New York not only as a selling point but for making its product as well.

"It's definitely an advantage to have our plant and be able to ship from near our market. We can make deliveries faster and control the manufacturing more easily. If a customer wants to take something with her, we have it here to give her." Customers for the elaborately fashioned lingerie include Bergdorf Goodman, Macy's and Bloomingdale's in New York.

Macy's — world's largest store in the world's largest market



well as Marshall Field in Chicago and John Wanamaker in Philadelphia.

Though starting with only a dozen employees, Ripcosa was able to arrange for tax abatements and government-sponsored training programmes for employees.

When the manufacturing begins, Ripcosa will continue to import its materials from Germany and use the New York plant for cutting, sewing and adding lace. "There are lingerie markets elsewhere in America," Doris Schwartz commented, "but New York is the place to be. I see most of the important buyers, especially for the larger stores, once or twice a year here and so the city will be able to serve all of our needs."

Made in New York

Building on the phenomenal global success of the "IOWNY" tourism promotion campaign, the New York State Department of Commerce has launched a second campaign — "MADE IN NEW YORK" which promises to do for industrial development what its predecessor did for tourism.

The "IOWNY" logo, which has been adapted by such faraway places as New Zealand and has even appeared on the "Wall of Democracy" in Beijing, has lifted New York from the bottom of the 50 states in consumer consciousness since 1977 to sharing with Florida, the honour of having the highest awareness as a tourism destination in the United States. In that period, annual tourism revenues in the Empire State have gone from \$5.3 billion to \$10.5 billion.

Now, as "IOWNY" continues to expand, it is the turn of "MADE IN NEW YORK" to create awareness of New York State as a top industrial and business centre.

A key element in this new business and economic development campaign builds on a discovery for "IOWNY" — that is, the economic impact of creating awareness of what New York State has to offer.

"MADE IN NEW YORK", with an initial \$2 million media budget, is designed to make New Yorkers and executives around the world aware of the business-related facts about New York State. For example, it stresses how many quality products are made in New York — in fact, 95% of product categories produced in the U.S. are made in New York.

It stresses New York State's leadership in companies — with more Fortune 500 headquarters than the next two states combined. It stresses the outstanding labour force — with productivity rates 14% above the national average. And it addresses tax reductions. Over the past four years, New York State has enacted the biggest State personal and business cuts in the country.

The "MADE IN NEW YORK" campaign, with television and radio commercials using the catchy "IOWNY" musical theme, is already infusing New Yorkers with a fresh sense of pride in themselves and in their State. "Quality people making quality products and offering quality services" is the way Governor Hugh L. Carey puts it.

In the print advertising, which complements the television and radio campaign, the state's ready access to the lucrative markets of Western Europe will be stressed, along with New York's position at the centre of the Western Hemisphere's largest and most affluent market; within a 750-mile radius of Central New York live more than half the population of the U.S. and Canada.

Also stressed are the State government's readiness to help foreign and domestic businesses locate and expand in New York through free counseling and advice, attractive financial and tax incentives and a well-trained, experienced cadre of professional consultants.

Says State Commerce Commissioner George G. Dempster: "Since the British and the Dutch first settled what is now New York State, we have been a great climate for foreign business; our programmes, our people, our way of life makes the Empire State the best place in the world to do business."

Time is money. And the Chase is on.

23 hours.

That's the time it took Chase—from request to delivery—to commit 100 million dollars to help a multi-national oil company avoid a cash flow problem.

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That's the time it took Chase to arrange multi-million dollar financing for a stock repurchase—a repurchase in which confidentiality and a quick response were essential.

That's Chase Time: a whole new response time in business.

But responding quickly is just part of Chase Time. Chase loan officers backed by industry experts know your business. So they can respond to your needs not only quickly, but effectively.

We can give you the most reliable information to help you make your financial decisions fast. Economic projections, trade finance know-how, and technical data about every major industry and market on earth.

We can help you transfer and receive funds, pay and collect debts. Instantly. Anywhere in the world.

Because we have the most advanced computer technology working for us as well as the people to match the system.

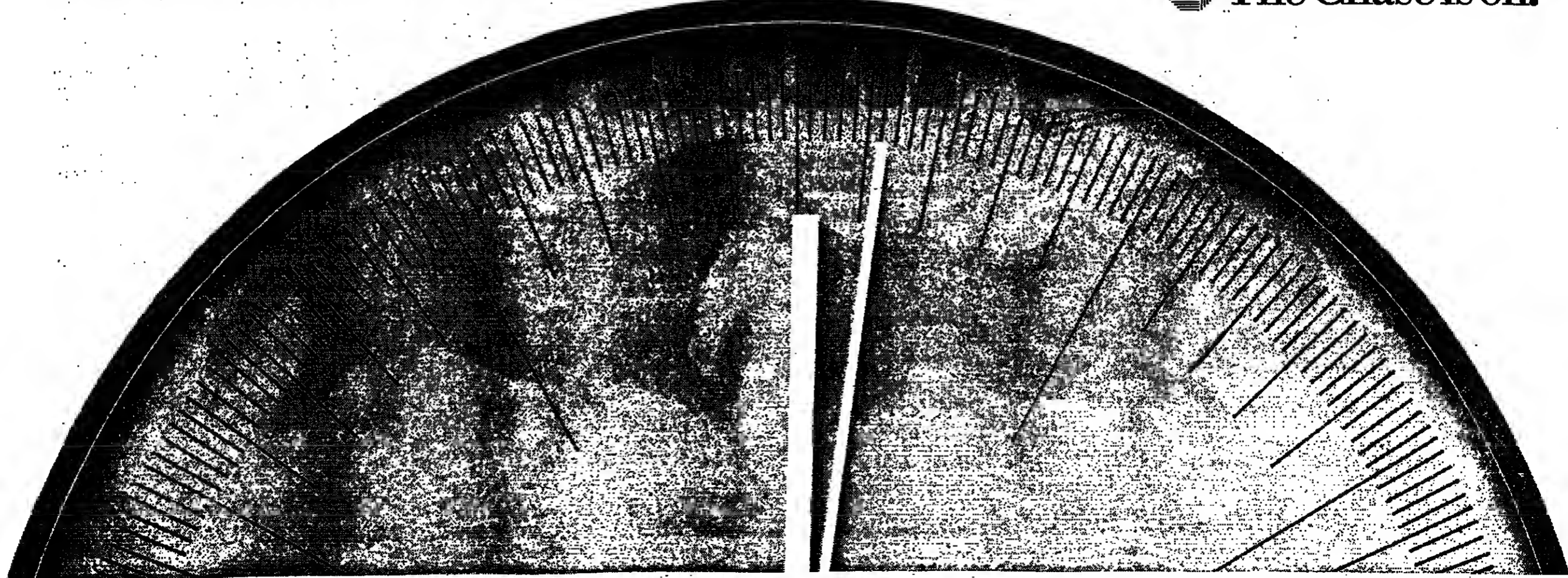
People who are committed to responding to your inquiries and needs. Quickly.

So now, in over 100 countries, we are plugged into the state of the art of banking technology. Switched on and ready to prove that it works.

Now as never before, time is money. So call the Chase Manhattan Bank.

In the race against time, the Chase is on.

 The Chase is on.



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NEW YORK CITY Make it where the market is

SERVICES

You can always get what you want

When New York became an off-shore banking centre on December 3, 1981, there were 140 banks lined up to offer this service to their customers. Two-thirds of those banks were foreign, ranging from the tiny Thai Farmers Bank to the major British institutional banks.

New York, which was a leader in obtaining these reforms to benefit all banks operating in New York State, had already made state banking laws conform to the expected provisions of the new regulations. They allow European and American banks to conduct transactions in Eurodollars without having to conform to Federal Reserve requirements on reserves, taxation and limitations on interest payments etc.

It was but one sign of the advantages of being in a far-sighted international centre conscious of the needs of those serving both domestic and foreign clients.

After all, New York is a city of business men and business institutions, ranging from one-man specialties to multi-national corporations. In the best tradition of the first economist, Adam Smith, by serving themselves these entrepreneurs serve each other and the common good. In explaining why American Express Company decided to stay and expand in New York by buying its own 40-storey office building in lower Manhattan, its chairman James D. Robinson III, also revealed the unique interactions that characterize New York:

"We're a financial service business for people who travel. This makes us heavy advertisers, so New York is ideal for us. Many of our important customers are here — hotels, car rental agencies, airlines, theatres, restaurants, and retail stores. We're in the middle of the financial community. We're near a lot of people we serve, and we're near a lot of people who serve us. Also, New York is a centre for data processing communications, and we move a million pieces of paper daily."

New York, a city of specialists in every line of work from surgical instrument design to international banking, is a natural haven for businesses setting up in America. Six of the country's Big Eight in accountancy have their headquarters in New York to serve 300 of the nation's 500 largest companies, 29 of the 47 largest banks, a third of the largest law firms and nine out of the ten largest advertising agencies, out of a total of 2500 New York-based agencies that together bill 40 percent of all advertising dollars spent in America.

New York has 190,000 businesses, 90 percent of which employ fewer than 20 people and 95 percent of which are smaller than 100 people. These specialists serve every conceivable need for the public and for other businesses, which include more than 3000 foreign firms in New York.

Because of its sheer size and business activity, New York generates grandiose numbers and flamboyant generalizations. But it also heats with the pulse of individual creativity and the highest fulfillment of



New York's famed Stock Exchange

human potential. In its continued growth, McGraw-Hill, Inc., the International publishing house, has had two notable New York skyscrapers with its name on them.

The company continues to grow within the city, Harold W. McGraw, the company president, explained because "McGraw-Hill's principal assets are not plants or machinery — they're editors, writers, artists and financial and marketing experts. They're the people who make our books outstanding. And they're here in New York. They thrive on the city's cultural atmosphere."

Similarly, Grace Mirabella, editor-in-chief of Vogue Magazine "can't imagine editing Vogue anywhere else in the country. The pulse is here and so is a large creative pool. The Arts play a big role in Vogue, and every talented person in the world comes through New York."

But the value of New York is not confined to high fashion and creative businesses. They lead the way in setting trends and being ahead of the times. They give impetus to high performance and high output in all areas of work. Stan Roth's Panorama Press, a specialty printer says that his seven salesmen "can make two or three times the number of calls in this city that they could make anywhere else. And it's not all local. We get business from all over the country, from as far away as California."

And besides the services that are available in New York, just being in the city is itself a benefit, especially to foreign companies intending to make an impact on America. A common theme as expressed by one executive is that "it is important to our continued progress that we be visible, and for being visible, there's no place like New York."

It is a city that has everything and wants to make it all available to those interested in taking and giving their share to the world's most exciting and productive environment.

TRANSIT

All roads lead to New York

When Pfizer Inc., the \$3,000 m pharmaceuticals firm which is New York City's largest manufacturing employer, participated in the nationwide polio-vaccination campaign in the mid-1960s, it had to ship the vaccine in dry-ice containers to be used within a 48-hour period. The company's access to New York airports from its centrally-located manufacturing plants was a key element in the timely dissemination of the vaccine.

One of the world's best-served cities by all means of transport, New York airports handle 1.3 million tons of international trade, representing 40 percent of America's export air cargo.

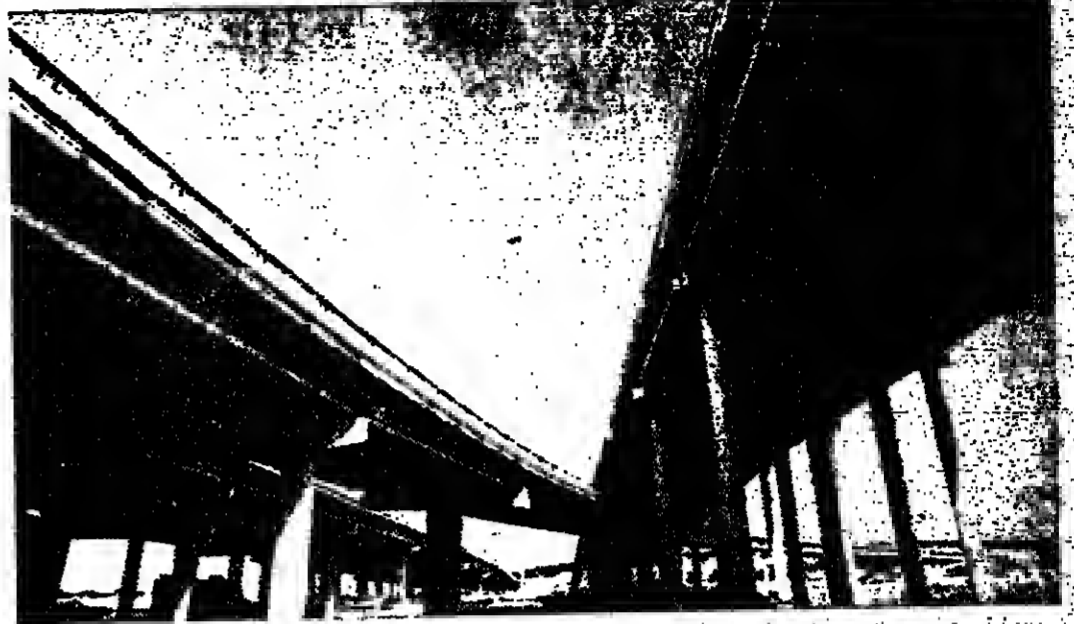
Peter G. Tombras, vice president and director of operations for Pfizer's Roerig division, notes that the company makes equal use of New York's ports, shipping, rail and highway facilities. With 36 percent of the entire U.S. population within one day's delivery time of New York, the city has an automatic domestic advantage that New York companies can take for granted.

Internationally, the ports of New York handle 40 percent of all of America's import and export traffic, accounting for annual revenues of \$30,000 m. The New York time zone makes it fully accessible to both European and West coast offices within the same working day, while its 15 railways and 30,000 registered lorries regularly crisscross America.

The New York port also offers two free-trade zones where imports can be assembled and re-exported without being subject to taxation. These facilities, both in Brooklyn and Staten Island, make New York an ideal location for gathering materials from diverse points and preparing them for further shipping.

The obvious transport and communications advantages of New York depend upon a hidden network of cables, radio signals and services imbedded underground or floating overhead and used daily by the country's most sophisticated applicators of advanced technology. The New York Telephone Company has begun to offer visual telephone hookups, which rely on backup television service originating out of New York. The new system, which may become nationwide within the next ten to fifteen years and international when such agreements are made, already serves business men able to organize meetings with "Everything but human touch," according to telephone company spokesman Bill Bennis. Even the transmission of contracts and signatures can be keyed into these face-to-face meetings, which New York offers thanks to the nation's three major television networks' operating in the city.

Closer to the ground and the daily needs of its vast commuting public, New York has been able to devise a five-year, \$7,900m plan for the renovation and modernization of the city's public transit system. The provisions of the Economic Recovery Tax Act of 1981 gave the transit authority a \$14 m boon to invest in

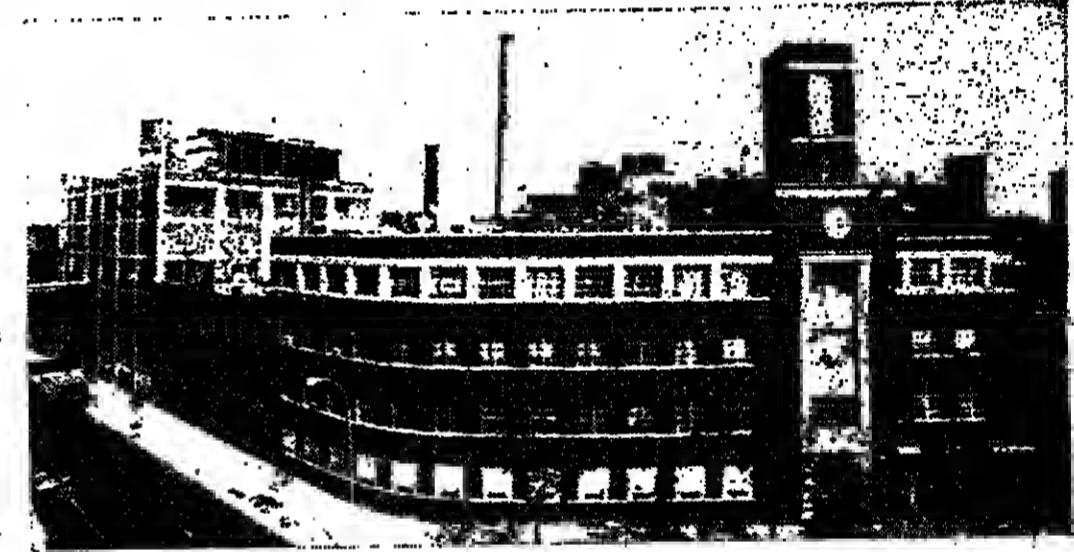


new buses, while the city budget has for the first time in almost a decade been able to set aside funds for transit improvements. These benefits will help restore the health of a system that has long and faithfully served the needs of the city's growing population and prosperity. The underground system beats all international competition with its 450 miles of underground track, its 6,700 cars, its 307 m passenger miles a year and its 458 stops.

Reaching four of the city's five boroughs, the underground complements the city's fleet of some 1000 buses and the Long Island Railroad, which carries more passengers than any railway in the world.

Last year's crisis over the fleet of breaking Grumman buses was resolved with the city becoming an international bus exhibition, where Broadway witnesses Japanese, French and German models all painted in the distinctive "racing" blue of the Metropolitan Transportation Authority. In addition to the more than 800 new buses that were added to the system in the past year, 325 more are scheduled for delivery to the city service to five million daily riders.

New York, a major link in worldwide communications and transport, is no less attentive to the needs of its own, perhaps more challenging 300 square miles with 6,400 miles of streets and 578 miles of waterfront.



Pfizer, the City's largest manufacturing employer



Come to flavour

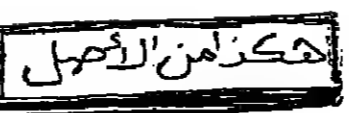
Marlboro



LOW TO MIDDLE TAR. As defined by H.M. Govt. DANGER. H.M. Govt. Health Departments' WARNING: THINK ABOUT THE HEALTH RISKS BEFORE SMOKING

الذکر من تری

THE ARTS



Cinema

Borderline cases by NIGEL ANDREWS

The Border (X) Plaza 1
The Grass is Singing (A) Screen on the Hill
The Challenge (X) General Release
Passione d'Amore (AA) Memento
Maevae ICA

With its brown and blurry Panovision vastness, The Border seems to have been processed in large quantities of mulligatawny soup. There are directors who endow their films with a Damascene lucidity and inch-for-inch aesthetic purposefulness...

In Richardson's newest American foray, Jack Nicholson is to be expected through the tawny smog essaying the role of an El Paso border policeman driven by wifely extravagance to trafficking in aliens. Strictly under the counter, of course. Gurgling Valerie Perrine, his peroxide better half, has bought up the most expensive water beds in Texas and most of the flamboyant furniture suites...

Richardson has assembled three American actors with enough electricity between them to light up a small town. Nicholson and Keitel flex their thespian triceps in a double-act trilling with tension; two law-enforcing friends who join criminal forces and then come nastily apart as Nicholson demurs at the increasing violence...

Book Reviews

Anatomy of the Movies, edited by David Pirie (Windward £7.95, 313 pages)
Cultures on Celluloid by Keith Reader (Quartet £11.50, 209 pages)

All the Stars in Heaven by Garey Carey (Robson Books £7.95, 309 pages)
Few books on cinema are all things to all film buffs, but Anatomy of the Movies comes remarkably close. This portmanteau of picture-lore, edited by Britain's David Pirie, a critic and film editor for Time Out...

Four self-defining sections unfold — "The Money and the Power", "The Creators", "The Craft", "The Product" — and divers Anglo-Saxon writers and pundits have been assembled to put their shoulders to the wheel. They include David Pirie himself, Lynda Mayes (former Edinburgh Film Festival director) and doyenne of English film critics, Dilys Powell. Superstar specialists also chime in with sane paces: Martin Scorsese writing "Confessions of a Movie Brat," Donald Sutherland reflecting on "Stardom," and top screenwriters Lorenzo Semple Jr and Robert Towne (of Chinatown) unveiling the secrets of their craft.

rich American adopters.) Meanwhile Warren Gates, the late and marvellous crumpled face and purple-lipped lips of the police chief who may or may not have a finger in the rotten apple pie. Sam Peckinpah — a great director of Gates and of oaters — would have threshed the chaff from this dusty modern Western and made it tough and nourishing. But Richardson's direction has winnowed out everything real and left a barnful of stereotypes. Perrine is tipped into caricature as the bovine-improving dumb blonde. And the beautiful Mexican girl (Elpidia Carrillo) Nicholson adulterates from afar — and the burbling of whose baby spurs him to take up arms against the traffickers — is merely plonked on the skyline, with little dialogue and less characterisation, in cause towards to all male shipping.

The flurry of two cultures crossing guns of a geographic crisis-point — rich and poor, WASP and Hispanic — should have created some stirring thematic antipathies. A consumer society at bay against a survival society? A Promised Land fenced with Keep Out signs and boot-tramped with betrayals. But Richardson and the script — by Deric Washburn, Walon Green and David Freeman — ring nothing but bedazzled B-movie variations on it: auto-pilot action scenes and glib moral homilies shoved into the spaces between. Meanwhile the soupy viscosity of the film visuals (photography by Ric Waite) provides ample metaphor for its foggy conception.

Michael Raeburn's The Grass is Singing, based on the novel by Doris Lessing, has far more courage and crackle even if its road to high drama is sometimes paved with unintended hilarity. Karen Black lends her quirky expressionist beauty, face sensual and distorted like a Francis Bacon portrait and eyes like oil-kilter, turned-in headlamps...

Richardson has assembled three American actors with enough electricity between them to light up a small town. Nicholson and Keitel flex their thespian triceps in a double-act trilling with tension; two law-enforcing friends who join criminal forces and then come nastily apart as Nicholson demurs at the increasing violence. (Problem smugglers are dispatched with a swift bullet; Mexican babies are kidnapped and slave-traded to

atives cease to be restless and get back to de-cobbing the corn? Soon the harsh life and Miss Black's volatile attitude to the blacks — she hates them, she persecutes them, she fears them, she fancies them — play havoc with her mind and marriage. Director Raeburn at first choreographs the film like a bad night at the Glasgow Rep; with Brian Encounter stiff-upper-lippery ("Don't Stop it, Mark"), creaky expositional dialogue and orchestral surges at the first sighting of romance.

But gradually a daft and dynamic obsessiveness steals over the film. Miss Black's gymnastic eyes and virtuosic vocalisms — she can croon sassy high notes or suddenly stab out a phrase in out-of-nowhere contralto — denote a mind racked and pinioned to a weird self-willed martyrdom. She finally offers herself up to an African wife (no plot giveaway, since the film opens with her death and then flashes back) and Mr Thaw. Sweeney Agonistes in Southern Africa, howls in borrow through the Bush.

If you can weather your pre-ludal giggles, the film is full of magic and of fine, barked meditations on barbarism, both white and black. The week's third tale-of-two-cultures is The Challenge. No saving opera sermo here, mixed in with the unintended buffa. Scott Glenn is our virile and expressionless hero, whose tireless devotion to the muscles below his neck seems to have rendered permanently atrophied those above; and Toshiko Miune is the Japanese martial arts master who trains him for a special mission. "How do you like Japan so far?" asks Mr Miune, after Glenn has experienced a "traditional" Japanese dinner of live lobsters and small wriggle reptiles swallowed one-gulp in his saki.

However, the American adheres to his task, which is to recover two priceless stolen Samurai swords, "The Equals." There are many fights, much spurious philosophising and relentless ordeal-by-bad-idea. John Frankenheimer, late of Appleby, directed the rare (even for him) rubbish, and John Sayles, of Return of the Secaucus 7, is sadly to be found among the screenwriters.

Etore Scola's Passione d'Amore, an Italian costume



Jack Nicholson in The Border

melodrama, doesn't fulfil the promise of its premise: the liaison, turning from reluctant gallantry to full scale passion, between an Italian cavalry officer (Bernard Giraudou) and his garrison cousin's hideously ugly comrade (Valeria d'Obici) who is thrust upon him for companionship. Cignoria d'Obici's ugliness is fearless and startling — she could play Nosteratu without make-up — but the film's style doesn't match the romantic perversity of its content. It's all painterly period petrification, as if over-dosed on BBC classic serals.

Better this, however — and all of the above — than Maevae: the catonatic tale of a London-based girl (May Jackson) returning to her Belfast home to agonise over her allegiances. Dirge-like dialogue, holier-than-thou moral and political bromides;

camerawork by Rigor Mortis. Frick Murphy and John Davies wrote and directed the film, the British Film Institute had the nerve to fund it.

Arts Council grants

The Arts Council has agreed to make grants of its Housing the Arts fund of £5,000 to the Young Vic Company; £5,000 to Free Form Arts Trust; £20,000 to the Scottish National Orchestra Centre in Glasgow and £20,000 to the Queen's Hall in Edinburgh.

Tippett honoured

Sir Michael Tippett has received the 1982 Distinguished Musician Award from the Incorporated Society of Musicians.

Theatre Royal, Stratford

"On Your Way Riley!" by B. A. YOUNG

I don't remember the Lucan and McBane act well enough to compare the originals with the performance by Brian Murphy and Maureen Lipman; certainly the routines, as reconstructed by Alan Plater, seem to me very funny, and the playing as good as you could want. But it's not so much the acts that Mr Plater has written about, but the real life story of Arthur Lucan, née Towle, and his partner Kitty McBane, which is very odd indeed. Lucan was doing a solo act on tour when in Dublin he saw this 15-year-old girl singing a sentimental song. He married her at once and incorporated her in what became the basis of his life's work, Old Mother Riley, the had-tampered old Irishwoman and her bighty daughter Kitty. Kitty served him faithfully as his feed for 40 years, but behind the scenes she was busy taking over the act as Kitty McBane Productions, and seducing anyone in the company who seemed to be to have a lovely face, a luxury she had no difficulty in finding. Their married life went to bits until they refused to speak to one another offstage, and even

insisted that when they were being filmed they must never be on the set together. In the end they separated, not only in private life but in the theatre as well. Lucan continued to play Old Mother Riley on his own, while Kitty found a man with a lovely face who could easily be disguised under the old clothes, the grey wig and the little black bonnet until he was the double of her partner. Lucan, a compulsive drinker, fell in the wings of the Tivoli. Full; his understudy took over and completed the show. There's a strong music-hall feeling about the play that Alan Plater has made out of the curious lives, an alternation of biography and theatre, private concerns leading either to representations of actual acts or to discussions and rehearsals of acts. I liked it well for the mood part. Alan Plater's lines are written with an expert feel for music-hall style, whether he is showing us work on the stage or in the studio or Kitty seducing the current young man in a restaurant. Brian Murphy gives a very funny performance as the old lady; the way he tucks his elbows into his ribs while he

Butters indignant wrists around his head, the way he leaps a foot into the air to get his legs properly crossed when he sits down brought back the look of the act into my mind, even though the lines seemed mostly new to me. Maureen Lipman as Kitty does not age much in appearance, but she ages wonderfully in her manner, progressing from a self-confident little girl, who had never heard of Protestantism acting married in a bossy woman who expects her wishes to be gratified instantly. Philip Hedley's direction keeps the music-hall bits just this side of efficiency, for we are mostly working in theatres where shows are thrown on with a minimum of rehearsal. There are no important parts beside the leads, but Geoffrey Freshwater is first-class as a comedian who tours with them, and Robert Davis is the permanent juvenile lead. Danny with the lovely face, Jenny Tiramani has been married to a bossy woman who expects her wishes to be gratified instantly. Philip Hedley's direction keeps the music-hall bits just this side of efficiency, for we are mostly working in theatres where shows are thrown on with a minimum of rehearsal. There are no important parts beside the leads, but Geoffrey Freshwater is first-class as a comedian who tours with them, and Robert Davis is the permanent juvenile lead. Danny with the lovely face, Jenny Tiramani has been married to a bossy woman who expects her wishes to be gratified instantly.

Festival Hall/Radio 3

Music of Eight Decades

The last of the BBC Symphony Orchestra's contributions to this series was by far their most substantial and challenging concert of the current season. It conjured up palmy melodrama, doesn't fulfil the promise of its premise: the liaison, turning from reluctant gallantry to full scale passion, between an Italian cavalry officer (Bernard Giraudou) and his garrison cousin's hideously ugly comrade (Valeria d'Obici) who is thrust upon him for companionship. Cignoria d'Obici's ugliness is fearless and startling — she could play Nosteratu without make-up — but the film's style doesn't match the romantic perversity of its content. It's all painterly period petrification, as if over-dosed on BBC classic serals.

The Triumph of Time may not be its composer's best work, but it is by a long way his most performed. Perhaps the presiding spirit to embrace the piece in the mainstream of the orchestral repertoire, as a putative heir to the symphony, is the conductor, who softens its outlines, to sweeten the acidity of the instrumental solos. John Pritchard directed a careful, disciplined account that tended to tidy up loose ends and absorbed lines into a homogeneous orchestral sound. So the climaxes were weighty rather than piercing, and the bleak uncompromising effect that is the music's essence was considerably dulled.

Sweetness was also the lasting flavour of Mr Amoyal's account of the concerto. It was a sweetness that kept clear of saccharine, but it gave more conviction to the lyrical episodes than to the violence at, for instance, the beginning of the second part of the work where the conductor trod carefully for the sake of ensemble. In only the finest versions does the close harmonic emotional impact that Berg intended, and here, for all the even tone and rounded phrasing, eyes remained palpably dry. I must confess to be unmoved by Ives's fourth symphony also, in any performance. Mr Pritchard, with Nicholas Cleobury and Raymond Holden as associate conductors, kept a firm grip on proceedings: the reins were loosened only for the close of the second movement (half a movement too late, it seemed) and the fugal Andante showed the BBC Symphony's strings more sure-footed than for some time. But the transcendental message continues to elude this listener at least: I'm afraid my gaze was not "fixed on eternity," as Calum MacDonald's lively programme note suggested it should be, but on embarrassingly more mundane matters. ANDREW CLEMENTS

Barbican

Bach's B minor Mass

The platform of the Barbican Hall is not especially large, and doubts have been raised about whether it can accommodate choirs grand enough for the main choral-orchestral occasions also. Wednesday's works in the repertoire. On Wednesday Richard Hickox, with his Singers and his City of London Sinfonia, gave the Mass in B minor by Bach, and it sounded (from the stalls, at least) very satisfactory. The Hickox Singers compensated for their modest size — the women number only 10, though five male altos support them — by professional skill and power; the orchestra, comparably small, matched them well enough that one had no sense of trimming-down.

Only in the "Sanctus," perhaps, was the sheer sound a trifle light, and even there Hickox secured so sharp and gleaming an attack that it was still mightily impressive. Elsewhere he generally chose bright tempi suitable to the scale of the performance: the choruses "Cum sancto Spiritu" and "Et resurrexit" fairly flew, with brilliantly assured singing in the florid passages. The baritone Stephen Roberts was allowed to warm up for his aria "Et in Spiritum sanctum" — delivered with polished authority — by taking one fleet paragraph that latter chorus: one of several self-conscious touches. Hickox has a weakness for them; he likes short notes where the score doesn't prescribe phrasing, for example, and at unexpected moments we got semi-detached articulation (even in the "Kyrie") that came near to sounding mannered, albeit neat and crisp.

There was an exuberantly expressive flute too, but the trio of trumpets had a fine cutting edge. If one felt occasionally that the choir was almost over-prepared, the soloists were robust and straightforward enough to scotch the hint of precociousness. At short notice Wendy Eathorne was an excellent first soprano, strongly seconded by Sally Burgess, and Anthony Rolfe Johnson lent his sweet, poised tenor to the "Benedictus." The counter-tenor Charles Brett sounded refined and a little dry in the contralto arias; with Miss Eathorne in the "Et in unum Dominum" duet he made an uncomfortable match. The music surely calls for voices of similar timbre to make its full point. DAVID MURRAY

National Theatre abroad

Four National Theatre productions are to go to international festivals this summer. The Opera, now in the Olivier repertoire directed by Peter Hall, is to open the 1982 Athens Festival with performances on June 18 and 19 in the open-air 15,000-seat amphitheatre at Epidourus, the theatre on which the Olivier's open stage and banked seats are based. A revival of Michael Rudman's production of Shakespeare's Measure for Measure, seen last year in the Lyttelton Theatre,

is to visit Mexico next month as part of the Festival Internacional Cerrantoni. It opens at the Sala Miguel Covarrubias in Mexico City's University for three performances from May 1, before playing at Guanajuato. The Mayor of Zolameo and One Woman Plays, both Cottesloe productions directed by Michael Bogdanov, are to be performed at the State Theatre in Denver, Colorado, for a two-week season from July 7 as part of the first Denver Center World Theatre Festival.

THEATRES

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ISRAELI WITHDRAWAL FROM SINAI

Battening down the hatches

By David Lennon in Tel Aviv

Uncovering the poverty trap

MORE THAN a decade after the existence of the poverty trap was first noticed by a group of researchers at the London School of Economics, the House of Commons is at last mounting a thorough investigation of this problem. The everuseful Treasury and Civil Service Committee has formed a special sub-committee, and has been taking evidence this week. A solid, non-partisan review of the facts has long been needed; it is good to know that it is now on the way, and from a source which guarantees that it will get serious attention.

The general nature of the poverty trap ought to be familiar by now, but it is one of those uncomfortable topics which everyone conspires to forget. It exists simply because income tax and national insurance contributions, which act as a supplementary income tax—levied on income well below the official poverty line. This means that there is a group of people who are both paying tax and receiving various means-tested income supplements—FIS, rent and rate rebates, and various more specialised benefits.

Incentives
The combined effects of tax, national insurance contributions and loss of benefit entitlement adds up to a marginal rate near 90 per cent over quite a wide range of low incomes. In some circumstances, a rise in earnings can actually make a family worse off. The poor, therefore, cannot prosper within the official rules. Small wonder that the black economy has grown so fast.

When stated baldly, the rules look mad, and it seems even more illogical that a government which believes strongly in market incentives should actually have made the trap wider and deeper—the result of the failure to honour the Rooker-Wise rules in the 1981 Budget. It certainly seems to be a profound embarrassment to ministers and the Treasury.

Yet moral indignation is not a helpful reason. The trap is not the result of a careless blunder, but of the attempt to provide higher standards of welfare out of a sluggish national income. All forms of income redistribution involve

high marginal rates of tax. A perfectly redistributive system, which some of the critics of the present system seem to favour, would not abolish the poverty trap, but make it universal.

Real income

What the facts do seem to suggest is that the attempt to marry welfare with a not very progressive tax schedule produces rather unhappy results. Officially, we expect those of low earning power to work out of self-respect, but supplement all low incomes to reach the same official poverty level whether they are earned or not. To provide extra real income for the productive poor is expensive, which is why it has not been done. The question which has not been faced is how expensive—how much incentive would have to be sacrificed at average and higher income levels to restore some, though inevitably reduced, incentive at the lower levels of paid work. The Low Pay Research Unit, a group which lobbies for the poor, has submitted a long memorandum which calls not only for a much more progressive tax schedule, but for a major attack on reliefs, notably for pension contributions and house purchase.

Certainly it is useful to raise such questions in this context, because the problem is unlikely ever to be solved simply by tinkering with the rate schedules. There are grounds for questioning the reliefs on mortgage interest and contractual saving as economic distortions, and we have often argued in favour of fewer exemptions and lower rates, just as we have argued for the Conservative policy of higher child benefits and lower means-tested supplements.

Tax rates

However, tax rates and reliefs are electorally sensitive subjects from which all governments shrink. The Treasury committee, drawn from all parties, can face them, just as it has already persuaded the official machine to divulge the true cost of exemptions, or "tax expenditures." We eagerly await both its factual findings and its policy conclusions.

What makes a car European

IT IS AN irony of business history that a measure Japan once took to protect its motor car industry from foreign competition now denies Japan access to the Italian car market. It was in 1950, long before the founding of the Common Market, that the two countries agreed to limit their car exports to each other. Japan feared that a combination of U.S. capital and technology with Italian manufacturing facilities would overwhelm the Japanese market.

Today the fears run in the other direction. The Italian motor industry is particularly glad to have that formal agreement limiting Japanese car imports to 2,000 vehicles a year. Some other European countries are shielded to varying degrees by quasi-official curbs on Japanese car imports, ranging from the tough attitude of France, which limits Japanese imports to just 3 per cent of their market, to the more apologetic approach of West Germany, asking that Japanese market penetration does not proceed too fast.

Protectionism

In theory such bilateral understandings are incompatible with the principle of free trade within the EEC. In practice their efforts are mostly confined to the individual countries concerned. Consumers in those countries are denied the choice they might have had and the value-for-money which the Japanese are capable of providing. The industries and consumers of other EEC countries are not badly affected by the bilateral arrangements of their neighbours—indeed it is clear that the German motor industry, just as much as the French, has benefited from the restrictions France applies to Japanese car imports.

But the EEC is now entering a phase when such bilateral protectionism could begin to have an impact on the industrial policies of different countries in the Community. One topical warning signal is the feeling in the Italian motor industry that the Triumvirate, built by Fiat, Alfa Romeo and Honda, under licence from Alfa Romeo, should be regarded by Italy as a Japanese car and thus subject to the same rigorous import restraint.

And, the Italian motor industry association, wants to use the case of the Acclaim to persuade the Brussels Commis-

ON Sunday Israel makes its final withdrawal from Sinai, the last territorial concession which the Begin Government intends to make over the Arab lands which it captured in the 1967 war.

Israel wants a strong and durable peace with Egypt, the most powerful of its Arab neighbours, but at the same time intends to retain control over all of the West Bank, Gaza Strip and Golan Heights captured respectively from Egypt, Jordan and Syria.

The Israeli aircraft that bombed Palestinian bases in Lebanon on Wednesday, thus ending a nine month ceasefire, brought home clearly the message that in future the Jerusalem Government intends to continue to conduct a tough policy towards those Arab states or organisations which remain hostile.

With the completion of the phased Israeli withdrawal from Sinai over the past three years, attention is now expected to focus on reaching some kind of settlement of the Palestinian issue, which formed the second part of the Camp David accords.

However, the prospects of any solution satisfactory to all parties being achieved are remote indeed. Egypt and Israel, together with the U.S., have been conducting on and off negotiations for more than two years on the possibility of granting some form of autonomy to the Palestinians living on the West Bank and in the Gaza Strip.

These talks have made virtually no progress on substantive issues because while Egypt and the U.S. view autonomy as a transition stage towards some form of Palestinian self-determination or independence, the Begin Government regards it as an end in itself.



The sharp contrast between today's reality as Israeli soldiers try to displace Jewish settlers in time for Sunday's deadline and the euphoria which surrounded the Camp David accords reached by the late President Sadat and Prime Minister Menachem Begin

The recent bloody clashes in the occupied territories, during which Israeli soldiers shot dead nine Palestinians and wounded over 100, were ample evidence that despite 15 years of occupation, there has been no narrowing of the gap between the aspirations of the two sides.

Almost all the Palestinians want an end to Israeli rule, and most of them want to create an independent state. But the Begin Government has no intention of ever granting such freedom and wants to retain control over the West Bank and Gaza Strip forever.

This is the core of the problem which will continue to keep the Arab-Israeli dispute alive

despite the fact that Egypt and Israel are at peace, both countries having successfully kept their sides of the bargain made in the peace treaty signed three years ago.

Israel can be expected to push ahead with its programme of de facto annexation of the West Bank and Gaza Strip by continuing expansion of its network of Jewish settlements in the occupied territories. Its attempts to replace the West Bank nationalist Palestinian leadership by collaborators who may eventually be willing to be brought forward as Palestinian representatives prepared to accept very limited autonomy, can also be expected to continue.

But more immediately, the Israeli Government is likely to carry out major military operations against the Palestinian guerrilla forces in Lebanon in an attempt to destroy the fighting capability of the Palestinian Liberation Organisation.

The military aim of these operations is to pre-empt possible attacks on Israel, while the political aim is to weaken the influence of the PLO in the world and among the Palestinians, especially those living under Israeli rule.

Western hopes or expectations that having completed its withdrawal from Sinai, Israel will now be ready to consider concessions on other fronts in



The sharp contrast between today's reality as Israeli soldiers try to displace Jewish settlers in time for Sunday's deadline and the euphoria which surrounded the Camp David accords reached by the late President Sadat and Prime Minister Menachem Begin

giant Israeli bulldozers battering the settlements being evacuated in Sinai offered a stark reminder of how nervous Israel is about its security. Despite having a peace treaty with Egypt, Israel decided to wipe out the settlements near its border rather than leave them for the Egyptians. Peace or no, it does not like the idea of having a sizeable Egyptian population near its southern border.

The only prospect for any change in these official Israeli attitudes would be if the ruling Likud coalition of Mr Begin was to be replaced by a coalition led by the Labour Party. Because of his near 50 per cent majority in the Knesset, Mr Begin has been postponing holding early elections, possibly in November this year.

However, one of the main reasons he is willing to contemplate new elections is that opinion polls have generally depicted his party as increasing its share of the vote if elections were to be held soon.

Even if Labour was to win the poll and form a new Government, the current militant mood in the country would make it extremely difficult for it to pursue its policy of offering territorial concessions in the West Bank in return for peace with Jordan and the Palestinians.

Apart from the Israeli voter, the only other agent with the potential power to change Israeli policy is the U.S. Government. The enormous economic, military and political support it gives Israel places a lever in the hands of Washington, but whether it has the will or the skill to use it effectively remains in doubt.

The prodigal signals a return to the Arab fold

By Anthony McDermott in Cairo

FOR SOME months now, the Cairo daily newspaper Al-Gomhuriya, has had on its front page a small box counting the days left for Israel's withdrawal from Sinai.

It might well also have been counting the days left for the Camp David accords, and certain aspects of the Egypt-Israel peace treaty. But it is not yet time to write off totally the unprecedented rapprochement between the two countries.

The raid by Israeli aircraft on Wednesday on Palestinian camps in Lebanon and the air battle with Syria may have caused some feeling concern that Israel was, after all, going to desperate lengths to halt the withdrawal from Sinai at the last minute. President Husni Mubarak, however, was not to be distracted.

Ever since he succeeded the late Mr Anwar Sadat last October, the Egyptian President has made it plain that he will stand by the peace

treaty with Israel. But from the beginning—by forbidding Cairo's media to abuse other Arab countries and their leaders—he has also made it clear that he wanted to rejoin the Arab fold.

In line with this approach Mr Mubarak is visibly reluctant to visit Israel. Yet there are no signs that he actually wants to abandon the peace treaty. The worst that might happen is that the process of normalisation—in other words the development of economic, social and cultural relations typical of ordinary neighbouring countries—might slow down. In the event of a full-scale Israeli invasion of South Lebanon or an equally anti-Arab action, Egyptian-Israeli diplomatic relations could be downgraded, but an overall break still looks unlikely.

Where the Camp David negotiations are most likely to come to a halt is over the question of Palestinian autonomy on the West Bank and the Gaza Strip. After nearly

three years these have made no tangible progress beyond identifying more details of the fundamental differences between Egypt and Israel. The Israelis are determined that this troubled area should not become an embryo Palestinian state. The Egyptians are equally determined that it should.

However, unlike President Sadat, Mr Mubarak has also publicly made the point that Egypt is prepared to negotiate only so far on behalf of the Palestinians. Thereafter it would be up to the Palestinians. What could emerge in the long-term—subject crucially to Israeli and Palestinian co-operation—is the "Sun of Camp David" in the shape of some variation of the plan put forward by Prince Fahd of Saudi Arabia.

But given Israeli policy on the West Bank, there is little optimism in Cairo that this will in fact happen. So probably later rather than sooner, the autonomy talks will expire.

Mr Mubarak has deliberately made Israel's final withdrawal less of a celebration than Mr Sadat wanted. Two Sinai governors will attend the flag-raising ceremony, but he is unlikely to attend himself, a modest approach clearly aimed at the other Arab countries.

Does this herald the full-scale return to the Arab fold which makes Israel so apprehensive? To some extent, the return has already begun and although Egyptians talked with some contempt under Sadat of the other Arabs, the links have always been there. There are some 2m Egyptian workers in the Arab world, mainly in the Arabian peninsula and in Libya. It did not take long for Arab tourists to flock back to Cairo, after a brief token boycott.

Soon after the Iran-Iraq war began in the autumn of 1980, Egypt began supplying arms and spare parts to Iraq. A senior delegation, possibly headed by the Iraqi vice-

president was reported to have visited Cairo for arms purchases at the end of last month.

Senior Egyptian financial officials have for some months been making regular visits to Saudi Arabia. As a result, the door for Egypt's return has already been opened, not least because Mr Sadat, whose speech before the Knesset in Jerusalem was regarded as the ultimate Arab treaty, is dead and because nobody seriously expected Mr Mubarak to repudiate the agreements with Israel.

But while Egypt is likely to become openly but gradually acceptable to moderate Arab states, relations with the extreme "Steadfastness Front"—chiefly Syria, South Yemen, Libya, Algeria and the Palestine Liberation Organisation—will take longer.

One sign of this creeping rehabilitation was the reception given to the Egyptian delegation at the non-aligned

meeting held recently in Kuwait. Its views on the future of the Middle East were not accepted, but it did not have to fend off an attempt at expulsion like the one which occurred in Havana some years ago.

Mr Mubarak has emphasised that Egypt is an Arab and African country, closer to the Nasserite non-aligned tradition than it was under Sadat. Inevitably, but not dramatically, this will mean a cautious distancing from the U.S. and closer ties with the Soviet Union, which is keen to replace its ambassador who was expelled last September by Sadat.

Israel's withdrawal from Sinai thus marks the opportunity for Egypt to conduct a foreign policy which fits more comfortably with its position as a leading Arab country in the developing world. But nothing can take away the unique difference that no other Arab country has concluded a peace treaty with Israel.

Men & Matters

Ins and outs of Whitehall

Strange the ways of Westminster and Whitehall. For close on three years Lord Carrington ran the Foreign Office with Sir Michael Palliser as his Permanent Secretary. And a highly regarded team they were.

Then the Argentines invaded the Falklands six days before Palliser was due to retire from the diplomatic service.

His farewell party at the Foreign Office turned into a political wake for Carrington, who with the other FO Ministers Humphrey Atkins and Richard Luce, resigned a few hours earlier because of the "great national humiliation."

Readily admitting his own errors of judgment, Carrington departed to satisfy political honour despite Margaret Thatcher's pleas for him to stay. And what of Palliser, whom Carrington presumably consulted before mistakenly concluding that Argentina would not use force?

Sir Michael duly went into retirement on April 9—and was immediately recruited by the Prime Minister to act as special adviser in the Cabinet Office where he has reportedly been co-ordinating diplomatic moves to find a solution to the crisis.

But then, as I wrote some months ago, Palliser is said to have a "startling ability for producing fresh ideas."

Screen test

It isn't the fact that coverage of the Falklands crisis is costing BBC television news £20,000 a day that is fraying the nerves at Lime Grove.

Barratt's own

Sir Lawrie Barratt who built his own home before deciding to go on and build 13,500 a year up and down the country for other people, has just notched up another land deal.

This time, however, the acreage in question is not likely to be handed over to a mixture of luxury and low-cost "starter" homes. Sir Lawrie, chairman of Barratt Developments, has acquired over 4,000 acres of the most picturesque countryside in north Yorkshire.

The knight from Newcastle, who sold half his shareholding in the group in December to raise £1.7m has predictably put the money into property. He has bought the Farnside estate, situated at the heart of the north Yorkshire moors National Park and designated as a nature reserve by virtue of its wild daffodils.

The estate, which includes 96 farms and cottages and 1,200 acres of prime shooting moorland, was put on the market last summer for £1.5m by John Stancer, a Midlands solicitor. Farnside—previously owned by the Lords Faversham and Hotham—was recently in the news when Taylor Woodrow Energy was refused permission to search for gas at the valley head. Sir Lawrie has emphasised, to some worried tenants however, that his purchase is a private transaction and that he intends to retain

Cold comfort

Purists may protest—but Scotch appears to be going down well with ice.

According to the Scotch Whisky Association, consumption of the "water of life" increased by no less than 1,050 per cent in the polar regions of Antarctica last year. Of all the money spent on alcohol in the icy wastes, nearly 90 per cent went on whisky.

The SWA says the polar market is very volatile, depending crucially on the number of scientific surveys being carried out there. Almost total abstinence can be quickly followed by levels of consumption which, per gullet rival those of Glasgow.

Whisky sales during the six months of 1981 for which statistics are available amounted to £3,500. For the same period of 1980, a mere £238 worth was poured out.

In tune

With Britain's naval task force poised for action today—St George's Day—a hymn might be considered appropriate.

Dutch treat

Let nobody accuse the Royal Dutch/Shell group of being a huge bureaucracy.

The personal touch is there in the annual report of Shell Transport: a costly conversational foreword by chairman Sir Peter Baxendell, peppered with first person pronouns and decorated with a picture of himself standing in front of an expensive-looking curtain.

"Events of the past few months have produced clear evidence that the energy industry generally—and the oil business particularly—is in the process of considerable change..." he intones.

Over in The Hague, Royal Dutch chairman Dirk de Bruyne, photographed in front of a splendid picture of a naval

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Observer

POLITICS TODAY

An awful lot of 'ifs'

By Malcolm Rutherford

BRITISH POLITICS are now entirely overshadowed by the Falklands crisis. Ministers look helplessly at their briefs on other subjects, wondering all the while what is going to happen in the South Atlantic. The normal political gossip—about the local elections next month, the progress of the SDP, the future of British Leyland or Lord McCarthy's report on the railways dispute—has been suspended.

And the simple fact is that no one knows what the outcome is going to be. It all depends on the big "ifs." If the British succeed in securing an Argentine withdrawal from the islands, however temporary, the stock market will take off, the Government will be judged to have triumphed and Ministers can look forward to a successful general election.

But if the Falklands adventure fails, if a large part of the British fleet is lost and, with it, the international support that the country has gathered so far, then the very future of the Government is in doubt. It will not be just a question of whether Mrs Thatcher is replaced by Mr Francis Pym, the

When the full Cabinet met last Tuesday evening, some Ministers not directly involved in the crisis management came away very gloomy. The reasons are not hard to see. Ministers were told that as Mr Alexander Haig, the U.S. Secretary of State, had discovered in his trips to Buenos Aires the problem is that there is no one in Argentina with whom effectively to negotiate.

There is President Galtieri. There is the rest of the Junta now pronounced by Mrs Thatcher as if she had been speaking Spanish all her life—unlike Mr Pym's wrestling with Buenos Aires. There are the three armed services and all sorts of other people breathing down their necks. "It would be better," one Minister said, "if it were a real dictatorship. At least it might be efficient."

That, then, is the first problem. There is a power vacuum in Argentina. Nobody knows who will fill it, or whether it will be filled at all.

There are more fundamental difficulties. The British position which Mr Pym took to Washington is miles apart from the Argentinian proposals that Mr Haig transmitted to London at the beginning of this week. Some American diplomats say that it is only a question of semantics, timing and face: the British are ready to cede sovereignty but not yet; the Argentinians want sovereignty, or at least the assurance of future sovereignty, now.

That is not quite how the British talk, and certainly not the politicians, who realise that any proposed settlement will have to be acceptable to the House of Commons. The mood of the House is unpredictable, with everyone watching each other's reactions.

The Government still wants a total Argentinian withdrawal. There might just be room for argument about the presence of a few Argentinian policemen, though even that is doubtful. One compromise suggestion is that there might be no policemen on the islands at all for an interim period, the present local force amounting to three.

The Government also wants the restoration of British administration and some time—



Francis Pym: wrestling with Buenos Aires.

how long is negotiable—to consult Falkland opinion. Negotiations on a long-term settlement would follow.

Undoubtedly, there is some possibility of concessions. The British are not wholly averse to the idea of a U.S. presence, but that is not yet part of the British negotiating position. They are averse to a United Nations presence, a topic to which we shall return. Yet, on the basis of the known evidence, it cannot be said that Britain and Argentina are anywhere near reaching a peaceful solution.

There are other cards still to be played, apart from the military. Mr Pym has accepted a suggestion from a Cabinet colleague that leaders of the countries with whom Argentina has the closest ties should be invited to telephone President Galtieri and seek to persuade him to desist. The argument

would go like this: "We want Argentina to be a natural part of the Western world, to which it belongs. We—not the Russians—are your friends."

Possible candidates are Chancellor Schmidt of West Germany and Mr Malcolm Fraser and Mr Zenko Suzuki, the Prime Ministers of Australia and Japan respectively. Another might be President Sandro Pertini of Italy, not only because he is a considerable figure in his own right but because of his country's longstanding connections with Argentina.

It is also quite likely that the United States will join the European Community in imposing economic sanctions on Argentina within a few days. Although there never seemed much doubt to this reporter which side the U.S. was on, there is a widespread feeling on both sides of the North

Atlantic that the time for an American display of "even-handedness" is coming to an end.

Thus the pressures on Argentina will increase, economically, diplomatically and—as the fleet gets nearer—militarily. Yet you still come back to the problem that there may be no one to negotiate with and that Argentinian pride might be too great to allow withdrawal from the islands on any terms acceptable to the British.

It is here that the United Nations option comes in. Mr Denis Healey, the Labour Party spokesman on foreign affairs, is in the U.S. at the moment, almost literally shadowing Mr Pym. It does not appear to be an entirely popular trip with the U.S. Administration: Mr Healey asked to see Mr Haig when the Secretary of State was fobbed off. Nor does his idea of further recourse to the UN seem acceptable to either official London or official Washington. The British Cabinet tends to fear that any return to the UN would result in a weakening of the support already given. Indeed, even the original approach—which turned out to be an success—was initially viewed sceptically by some officials who should have known better. (The Government never expected such European support, either.)

Sill, Mr Healey makes two points which ought to be taken seriously. The first is that if there is to be an interim administration in the Falkland Islands, the UN is quite the best-placed to provide it, or at least to participate in it. It would demonstrate the need for an international solution. It would show that the UN was back in being as a body capable of promoting international peace and international order. The consequences of that could be profound, and all to the good.

The second point is that if the American mediation fails, Britain must return to the UN at once before embarking on military action. It would be worth reaffirming international support, and having a oes go at mediation through the UN, before a shot is fired.

The full Cabinet has not been consulted on these possibilities.

Indeed, the operational details of the exercise are known only to a handful of Ministers and so far there are no complaints about that. The general atmosphere in the Government is said to be good, with Mr Pym and Mr William Whitelaw, the Home Secretary and Deputy Prime Minister, having a stabilising influence on the inner discussions and the whole Cabinet wishing Mr Pym success in his endeavours.

It is also striking that support for Mrs Thatcher and for military action in the country

Not for two years have the Tories been so popular

seems to be increasing. The MORI poll published in the Economist this morning suggests that the actions to date have damaged neither Mrs Thatcher nor the Government as a whole. Satisfaction with her handling of the crisis rose 80 per cent of those polled last week in 88 per cent on Wednesday this week. It is two years since the Tories have been so popular.

Yet there could come a time—perhaps very soon—when Ministers will have to ask themselves whether they approve of the guns being fired. The question is really one of proportion. One would hope that some of them will speak up for trying the UN.

Sometime, too, we shall all return to normality. Here is a quote about what has been happening to the economy in the meanwhile from that impeccable source, the Financial Times: "EC has been forced to cut production of its Metro model at Longbridge for the first time. . . . The action is attributed to over-production through better-than-expected efficiency."

Those are what Mr Edward Heath, when he was Prime Minister, used to call "the problems of success."

The first problem is the power vacuum in Argentina

new Foreign Secretary—my own guess is that it would still be more likely to be Mr James Prior—but of whether the Government can survive at all without a general election or a coalition.

There are, of course, a lot of "ifs" in between. How do you define a successful outcome? Or how do you dress up a diplomatic compromise that is really no more than an alibi for surrender? As some Americans used to say about Vietnam: "Let's get out and say 'we've won.'" It hasn't come to that yet, but the point is that nobody knows where we shall be this time next week, or even next Sunday, when Mr Pym should have completed his talks in Washington.

Letters to the Editor

The Falklands: international mugging must cease

From Mr A. Spencer
Sir—Attitudes expressed in your leaders on the Falklands crisis during the past three weeks have had me reaching for my pen but I have resisted the temptation. Two remarks you made, however on April 21 under the heading "The fleet gets nearer" simply cannot be allowed to stand without comment.

The first of these remarks to which I take strong objection is, "Where Mrs Thatcher has boxed herself in, however, is in her insistence after the attack that Britain must first recover the islands before there can be a long-term solution."

May I ask you just why anyone is "boxed in" by demanding the return of stolen property? The Argentinians invaded and took the islands by force and this, quite simply, is international mugging and cannot be allowed. The long term solution—admittedly long overdue—can be discussed when our stolen property is returned to us. Otherwise, let no nation, or even householder, complain to the police of theft and criminal assault and then back-pedal on their resolve by agreeing to negotiate with the assailants.

Your second remark is an even worse example of wet and woolly thinking—"It is one of the principles of negotiations

that both sides have to make concessions." You talk of principles—where, may I ask, are yours? Negotiations are now under way with thieves who really have no right—other than *force majeure*—to be heard at all until they have made amends for their depredations by withdrawing their forces from the islands. This, surely, is the least that we can insist on if we are to hold any principles ourselves. To talk of concessions at this stage is to strengthen the resolve of the junta and to show them that some persons in this country have principles that are so weak that they can easily be overturned.

A. C. D. Spencer.
Waterbeck,
Windermere, Cumbria

From Mr C. Harley
Sir—For the avoidance of doubt in the Argentine and in countries so far uninvolved in the present dispute it is necessary to define the British objectives. Our clear duty is to ascertain the wishes of the inhabitants of the Falklands and to ensure that they are given effect.

To do this the Argentine forces must return to the mainland leaving perhaps 50 unarmed police to maintain law and order. Without delay all

the literates of 18 or over resident on the islands on April 1 must be asked how they wish the islands governed in future. There can be no objection to the Argentine Government being asked to comment on the choices to be included in the plebiscite which should be carried out under the supervision either of the United Nations or of two neutral Governments.

The realistic alternatives appear to be limited to government as a British Crown Colony, incorporation in the Argentine Republic, government as an Argentine colony or government by some other state, possibly New Zealand. Independence does not seem to be a viable choice but the British or Argentine Governments may wish this or some other choices included. The option selected by the largest number of the inhabitants would then be adopted.

If such procedure is now accepted by Argentina, military action by the British before the plebiscite must be provocative and unnecessary. Sovereignty must rest with the islanders. If unfortunately the Argentine Government will not accept that fact then any necessary force can legitimately be applied. C. S. Harley.
52, Rodney Street, Liverpool.

book for 1981 reveals that each of the nine trusts held GEC and Shell among its top four holdings. Five trusts, at least, were invested in I.R. Energy and three trusts, at least, were invested in Jardine Japan fund. In addition, there were many cross-holdings, sometimes involving other trusts, not counting I.R. Energy.

According to the last figures published by the Association of Investment Trust Companies re Tonche Remnant trusts, the total return on NAV over five years ranged from 180 to 220 against a general trust average of 198.

Surely it is advantages both for the managers and investors to have a situation where one can select a trust on the basis of growth prospects or income, with corresponding variation in yield, plus the choice of specific markets or sectors, rather than be faced with having to pick any one of nine trusts diluted in varying degrees. In any case, even after the proposed reorganisation there will still be three trusts with general portfolios.

In my opinion, the management deserve the unqualified support of their shareholders. Dennis R. Burt.
62, Ormonde Drive, Glasgow.

Indexation of capital gains

From Mr J. Newman
Sir—The Finance Bill contains detailed provisions for indexation of allowable costs for capital gains purposes and also increases an individual's annual limit for exemptions from capital gains.

This is welcome news for all who will suffer capital gains tax on inflationary gains but may I suggest the approach may be anomalous.

Let us take the example of four individuals—A, B, C, and D—each with capital to invest of £50,000. A proceeds to invest all his in a luxury home; B in stock exchange securities; C in antiques; and D in a small business. At the end of 10 years each sells up and finds that he has £100,000. The capital gains tax for A will be nil, but B, C and D will suffer the tax on the gains over the indexed linked base cost. B can, however, take advantage of the annual exemption avoiding £5,000 a year by buying and selling shares. C likewise, with a little juggling using the chattel and annual exemption will probably avoid the tax. Only D will have to pay tax. This cannot be right, particu-

larly if D invested in a socially and economically useful business!

Managing trusts

From Mr D. Burt
Sir—As a private investor interested in the investment trust sector, I have been following closely developments within the trusts managed by Touche Remnant. The Investment Trust Year-

Banks' lending policies

From Mr T. Clarke
Sir—I read your leader of April 17 with great interest. I think your last few sentences highlight one of the major problems of our time, that is the double standards used by bankers in their lending policies.

I have no cause to complain of my treatment, I have always been received in a kindly manner and providing I was prudent with my requests and prepared to give satisfactory guarantees it has always been possible to borrow.

Yet when lending to unsound countries different standards apply and with far larger sums. Sums have released the borrowers' inadequate resources either to buy weapons to be used as a threat against us, or to subsidise their exports, on occasions at below the cost of raw materials, so desperate are these countries for foreign currencies.

It does prompt the twin thoughts of whether bank directors would be as free with their own money as they are with that of their shareholders and if so, would it not serve our industries and the free world better to use this wasting money to reduce interest rates or is it that banks prefer to lend at 14 per cent rather than 7 per cent? Tom Clarke.
High Trees, The Bailey,
Skipton, North Yorkshire.

Required reading in Marsham Street

From Mr C. Clarke
Sir—I was interested to read your editorial on April 13, but amused by its concluding paragraphs. The Urban Development Grant idea, credited by Mr Heselbine to the Financial Institutions Group (FIG), is certainly not new. The American experience on which the idea is based was exhaustively described in a DoE-sponsored research report two years ago.

The fact that the Secretary of State for the Environment took two years to become aware of research findings published by his own Department is hardly a good example of the "sense of urgency" which you state is shared by Mr Heselbine and FIG. Moreover the fact that FIG needed to travel to America to research the idea, rather than read the documents available in Marsham Street, is not a good example of financial economy. C. J. L. Clarke
22 Newbrough Crescent
Newcastle upon Tyne

Lombard

Some answers to the CAP problem

By John Cherrington

WHETHER OR not a compromise is reached in the next week or so on the problem of Britain's budget contributions to the EEC, it is unlikely to include any fundamental reforms of the Common Agricultural Policy. Yet the weaknesses of the policy are still there and in all probability will get worse. The products most likely to be in surplus—milk, cereals, beef and sugar—show no sign of shrinking.

Everyone admits that there is something wrong in this. Conventional analysis blames the fact that prices have been fixed at too high a level in order to support the small farmers who are in the greatest majority in the Community. If only these small units could be eliminated, it is claimed, production would soon be restored to market levels and surpluses miraculously would drop. High prices would be replaced by income aids for the smaller farmer.

This proposition ignores the basic facts of the European farm problem. Surpluses are the products not of the small farmers, but of the larger more efficient units. The more small farmers are removed or persuaded not to produce, the more room is left for the larger farmers to expand and to reduce their unit costs by economies of scale. A case in point has been the lack of success of the various attempts to remove cows from the dairy herd. After these measures had succeeded in getting rid of 1.5m cows, the total dairy herd remained at the figure of 25m and output still soared.

The remaining farmers had simply improved their techniques and expanded their herds. This was in spite of a virtual freeze on farm prices during the 1970s. In this way they were assisted by their governments which in all countries have advisory services teaching farmers to produce more of everything.

Away from the EEC, many countries which support their farmers try to limit their liability. In Canada and Australia quotas applicable to individual farms limit support payments to the amount of output

needed. In the United States farmers for years have had their grain support limited by the use of a set-aside system. They were paid so much an acre to take land out of production of particular crops. The Reagan administration has imposed new set-aside arrangements; farmers who fail to respond to the reductions in acreage of 15 per cent of wheat or 10 per cent of maize lose their entitlement to the Government's loan support.

The EEC has in the past thought on the same lines. In 1968 Dr Sicco Mansholt, then Agricultural Commissioner, proposed taking 5m hectares or 124m acres out of production and compensating those displaced. Dr Mansholt's suggestions were immediately condemned by the farming lobbies and the council of ministers, but that does not mean they were inherently unsound.

For 20 years the British Government operated a system of standard quantities, in reality a form of quota. A level of output was agreed and this not full price support, and the balance received the current market price. In practice the returns were averaged between all farmers and this stimulated the larger ones who were able to spread their overheads. Farmers who did not increase their output lost out, because the effect was to reduce prices overall. So the incentive to increase production remained.

Reducing farmers' prices either directly or by freezing them seldom appears to reduce production. It usually results in the opposite, at least in the medium-term.

This would not matter so much if farmers were made directly responsible for the cost of their support on the lines of the present co-responsibility levy for milk which is in danger of being whittled down. But this would still benefit the larger farmers. The alternative would be a set-aside system based on land taken out of all kinds of production surplus. It is difficult to see any sensible alternative but solutions based on common sense are seldom politically acceptable.

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UK COMPANY NEWS

Companies and Markets

Laporte Inds. profits advance to £15.21m

A SIGNIFICANT advance from £11.7m to £15.21m has been made at the pre-tax level at Laporte Industries (Holdings) say the directors.

HIGHLIGHTS

Lex looks at the 1981 figures from Dunlop which show break-even at the pre-tax level but a £11m loss at the attributable stage.

£15.85m. The directors note that this was despite an unrelieved tax effect of £278,000, compared with previous debits relating to closure costs of £1,077,000.

Advance by Samuel Properties

PROFITS, before tax, of property investment and development concern, Samuel Properties, showed an advance from £1.11m to £1.54m for the six months to December 31 1981.

Profits lower at Wire & Plastic

A SETBACK in pre-tax profits was shown by Wire and Plastic Products for 1981. The surplus fell from £379,084 to £213,202 on lower turnover of £2.57m against £2.51m.

Dunlop breaks even after £19m second half profit

A RETURN to pre-tax profits of £19m is reported by Dunlop Holdings for the second half of 1981. This covers the loss of the same amount incurred in the first six months and leaves the group in a break-even position for the year compared with a profit of £10m for 1980.

Operating profits in the second half of 1981 were £33m which represents a "marked improvement" compared with the £19m in the first half of the year and £17m in the second half of 1980.

Steel Brothers in cash call for £4.5m: profits up 40%

AT THE same time as reporting a near 40 per cent increase in 1981 pre-tax profits, Steel Brothers Holdings, the construction and furniture group, has announced the widely predicted rights issue.

Profits, before tax, for the year climbed from £3.5m to £7.51m, following first-half figures which were ahead by some 9 per cent at £2.64m (£2.6m).

The final dividend is being lifted from 4.5p net to 6.5p for a higher total payment of 9.5p per 25p share, against 8p in 1980.

Table with 4 columns: Company Name, Current Dividend, Date of Payment, Total Dividend. Includes companies like Anglo-Scottish Int., Chesterfield Prop., Walter Duncan, Dunlop, Gannex Cons., Harrison Cowley, Hestair, Japarte, Thomas Harbath, Owen Owen, Rush & Tompkins, Samuel Properties, Scottish Mortgage, Spencer Geats, Steel Brothers, Wire & Plastic.

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Duncan & Goodricke picks up

AFTER pre-tax profits at the half-way stage had fallen 2,353,000, Walter Duncan & Goodricke, investment holding company, managed to finish 1981 with same-again profits of 2,673,000.

Replacement sought for Global board

A GROUP of United States investors intends to push for the election of a list of candidates to replace the existing board of Global Natural Resources at the annual general meeting on June 4.

Hestair lifts profits 124%

A FURTHER strong recovery in profits is reported by Hestair, the Windsor-based industrial group, for the year ended January 31 1982.

resulted to a reduction to interest charges of 163,000. There are ample facilities for future working capital requirements, the directors state.

London and Manchester Group plc

Extracts from the statement by the Chairman, Mr H L K Browne, F.C.A., on the Group Report and Accounts for 1981

In my last statement I referred to the problems facing the Company in a period of recession and continuing inflationary pressure. During 1981 in spite of a number of official pronouncements indicating a bottoming out of the recession and even a modest upturn in the economy the problems continued and your Company's results, particularly in the home service division, were adversely affected by rising unemployment and the consequent queues on disposable incomes in the hands of clients.

Group Reconstruction. In my letter to shareholders dated 28 August 1981 I outlined proposals to form a holding company to acquire the shares of London and Manchester Assurance Company Limited in exchange for an equal number of shares in the new holding company.

Life Offices Association. In January 1982 London and Manchester Assurance resigned from the Life Offices Association. The sequence of events leading up to that decision began in 1974 when the Company, with the active encouragement of the Department of Trade and of the L.O.A., took control of the ailing Wellare Insurance, which was not a member of the Association.

Ordinary Branch. In the home service division results were affected by the general economic climate to which I have already referred. In addition, the advent of the clearing banks into an already difficult mortgage market had a material influence.

Industrial Branch. The increasing pressure of the economic climate was particularly evident in the Industrial Branch and the Company suffered a loss of existing business at a higher rate than in the previous year.

Pensions Division. This division had another very satisfactory year both in terms of new business and in overall development. Increases of 16 per cent in new annual premiums to £2.3m and of 16 per cent also in new single premiums to £2.1m were achieved and further developments in the employee benefit product range saw the introduction of both the Compass Plan and Transplan.

General Branch. Gross premium income increased by 16.3 per cent to £5.96m in a year when increases in premium rates had been at a lower level than for some time.

The Annual General Meeting will be held on 14 May 1982. Copies of the Report, which includes the full text of the Chairman's Statement may be obtained from the Joint Secretary at Imperial House, Dominion Street, London EC2M 2SP.

£255,000. During the year development work on the systems required to administer the account was completed at a cost of £420,000 and the systems are now operational. In view of the special nature of these items a charge has been made direct to profit and loss account of £400,000, being the net cost of these items after tax relief.

Investments. The year 1981 was one of great uncertainty where hope and realism vied with one another as the market fluctuated quite significantly over relatively short periods. The overall effect was to leave the gilt-edged market at lower levels and the opportunity was taken to invest a further £15.4m net on favourable terms.

Profit and Loss Account. Transfers from the Life Funds on the usual basis provided £1,104,000 from the Ordinary Branch and £1,211,000 from the Industrial Branch. The sum of £650,000, including £200,000 special release from reserves, has been transferred from the Investment Trust Retirement Annuity Fund.

The Future. Since the advent of the financial year the economic climate has continued to have an adverse effect on your Company's progress, and despite the efforts by both management and staff to produce a satisfactory performance for new business in the home service division losses of existing business have continued at a high level.

Considerable progress has been made during the past year to ensure that the Group's administration is maintained at a high level of efficiency, and I am confident that whatever problems we may encounter during 1982 your Board will be in a position to submit a satisfactory report of its stewardship at the Annual General Meeting to be held in 1983.

Mr J. Valentine is resigning as chairman upon reaching 70. His place will be taken by Mr J. R. Symonds.

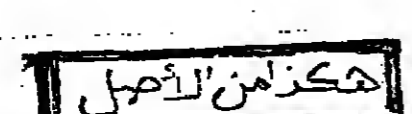
On a current cost basis pre-tax profits were £317,700.

On a current cost basis pre-tax profits were £317,700.

The Lombard 14 Days Notice Deposit Rate is 12 1/2%. Lombard North Central PLC, 17 Bruton St., London W1A 3QH. For details phone 01-409 3434.

Harrison Cowley 1981 £520,000 PRE-TAX PROFIT DESPITE DIFFICULT YEAR DIVIDEND MAINTAINED. Harrison Cowley (Holdings) PLC and Subsidiary Companies. Group Results for the year ending 31st December.

M. J. H. Nightingale & Co. Limited. 27/29 Lovat Lane London EC3R 8EB. Telephone 01-471 4212. Table with 4 columns: Stock Name, Price, Change, Yield.



London Brick resilient to recession

Jeremy Rowe CBE, Chairman

Salient figures

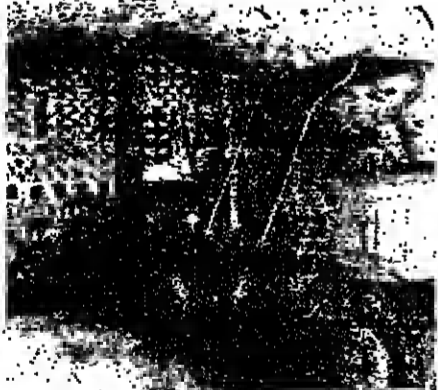
	1981	1980
Turnover	£000	£000
Clay Products	88,682	85,212
Others	38,407	38,657
	<u>127,089</u>	<u>123,869</u>
Trading Profit		
Clay Products	8,397	8,705
Others	3,464	1,829
	<u>11,861</u>	<u>10,534</u>
Net profit before Taxation & Extraordinary Items	11,154	10,742
Profit available for distribution	3,911	10,637
Earnings per share	11.35p	19.11p
Dividend per share	4.8926p	4.3662p
Capital Employed	68,642	69,644
Represented by		
Fixed Assets & Investments	45,964	45,110
Deferred Taxation	1,604	556
Net Current Assets	<u>21,074</u>	<u>23,978</u>
	<u>68,642</u>	<u>69,644</u>

The following are extracts from the circulated Statement of the Chairman, Mr. Jeremy Rowe, C.B.E., for the year ended 31st December, 1981.

The Trading Year

Last year I said that our performance in 1980 demonstrated London Brick's ability to ride the recession. In 1981, in spite of a further drop in volume, the pre-tax profit at £11.154 million was slightly up on the previous year (£10.742 million). The achievement of what in the circumstances is a satisfactory result was only attained through extensive cutback and rationalisation in many areas of our operations. In human terms this was a painful and depressing exercise, but its benefit in terms of lower cost and improved productivity is now beginning to come through and will become increasingly apparent as the months go by. A threefold growth in the profit contribution from subsidiary companies helped to compensate for the lack of volume in brick sales and thereby contributed to the overall improvement in results.

The Company has therefore demonstrated, once again, its resilience and ability to maintain profits at a time of deep depression in its major markets.



Preparing to fire bricks

Employees

It is distressing to the Board that 2,100 employees have either left, or are about to leave, the employment of the Company. This no doubt reflects the experience of many leading British companies and will in our case undoubtedly bring substantial savings in cost. But this cannot mask the bewilderment and indignation of those affected by redundancy. The feeling of rejection is perhaps greater in a firm such as London Brick where nearly one in five of our workforce engaged in brick production have worked hard and loyally for the Company for over twenty-five years.

This major slimming in manning levels, which went right through the business from senior management to those on the shop floor, was carried out in close co-operation with the trade unions and staff consultative bodies, and was achieved without any major disruption in our day-to-day operations or service to the customer.

Brick Production

Hardest hit of all by closure and redundancy were employees engaged in the production of fletton bricks. If we include those who finally left in the early weeks of 1982, about a quarter of

the labour force engaged in brickmaking has now left the Company. It became apparent early in the new year that the recession was going to be deeper and more prolonged than many forecasters had at first suggested and that the continued additional cost of short-time working was quite unacceptable. Accordingly the decision was taken to close Ridgmont Works in Bedfordshire. Its closure and the reduction in output thereby achieved allowed us to reinstate full-time working at other factories. Ridgmont was a large plant but its age and design made it one of our higher-cost units.

It was expected at the time that this would prove sufficient in terms of lower output. Indeed, there were signs that the housing market was beginning to recover and brick deliveries had begun to improve. These hopes were dashed by the rise in interest rates in the autumn and the belief that this would prolong the slump in housebuilding. The decision was therefore taken to close three of our remaining old fletton brickworks - Kempston Works in Bedfordshire, and L.B.1 and Hicks Works in the Fletton area of Peterborough - and in addition to cease pipe manufacture at Arlesey Works in Bedfordshire.

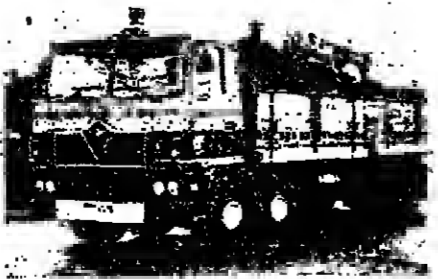
The programme of brickworks closures was carefully planned both to ensure that the range and availability of particular types of bricks to the customer was unaffected and that closures were concentrated on the less efficient Works. As a result, the effect of reduced volume was partly offset in our unit costs by concentrating our remaining production on lower-cost Works.

Engineering

The largest customer for the engineering shops has been the fletton brickworks. For example, our engineers are currently engaged in the production of six new facing machines which have been manufactured to our own design and specification. These machines, will in due course be installed in Works in Bedfordshire and Buckinghamshire, and will increase our capacity by some four million facing bricks per week.

Marketing and Research

Last year I stated that 1980 might well prove a historically low point for new housebuilding with a level of starts lower than at any time for fifty years. In the event, the final outcome for 1981



Brick delivery vehicle

was marginally worse than in 1980. The figures, however, give at least some grounds for optimism because, whilst in the public sector there was a further substantial fall to a level where public sector housebuilding is now quite insignificant, there was some recovery - admittedly from a disastrously low level - in private housebuilding in the latter

part of the year. This suggests that the housebuilding slump has at last bottomed out and is now due for some modest recovery.

In these circumstances, demand for bricks was lower than at any time since the war, not only because of the depressed level of housebuilding but because in the present economic climate there is a trend towards the construction of smaller homes for sale. Brick sales were also affected by the overall reduction in construction and in particular by the effect of unemployment and high interest rates on the previously buoyant market in home improvement.

Against this background and in the face of price-cutting and strong competition, it is pleasing that fletton bricks slightly improved their share of the overall market, whilst sales of the simulated hand-made facing bricks from our Clock House Works showed an encouraging increase.

However, we cannot afford to be complacent. Changes are occurring in the market-place and, if we are to benefit from these, our customers must receive both a wider choice of product and an immaculate service in delivery and technical assistance.

Property

As a substantial landowner, the Company has valuable assets in a wide range of property varying from farmland to industrial sites and from housing to amenity areas. It is the responsibility of the Estates



Cattle on a London Brick Farm

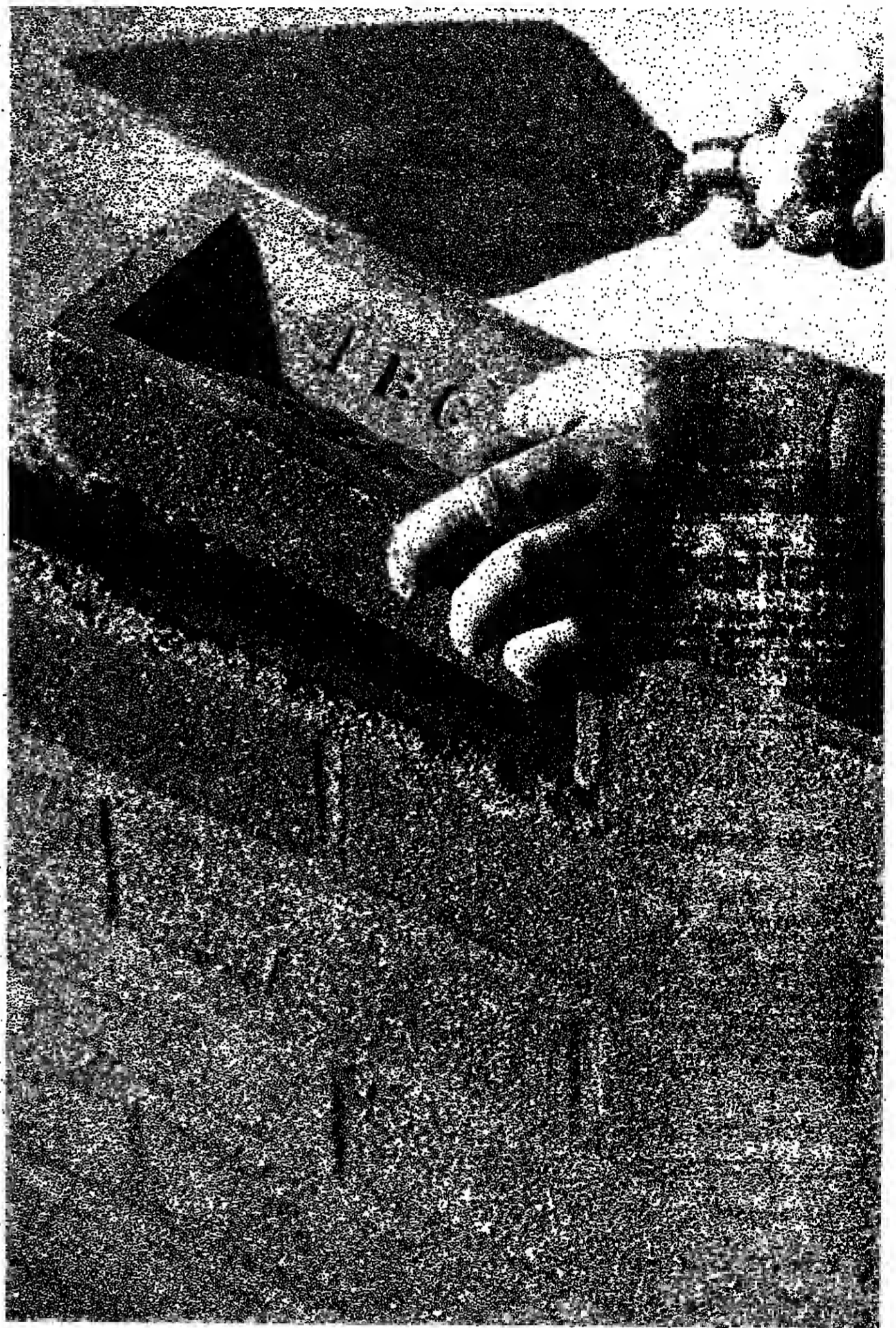
Department to ensure that the potential of these assets is identified and developed to ensure growth in both profitability and underlying value. In addition, the company has a responsibility both to restore its old workings and to improve the environment within which it operates. During the year much of the Department's skilled resources have been engaged in the designs of new brick factories for which detailed planning permissions have now been obtained. In 1981 our farming subsidiary, London Brick Farms, which is steadily expanding its operation, achieved a fifty per cent increase in profit. Good results were achieved from the arable farming operations in Bedfordshire. At the Dairy Unit at Yaxley near Peterborough, where our pedigree herd of Friesian cattle now numbers over three hundred, the average yield per beast improved, as did the profit margin per cow over cost of purchased food.

London Brick Landfill

Despite the recession, London Brick Landfill has continued to expand its operations and now makes a substantial contribution to the profits of the Group. The earnings result from the supply of vital services associated with the collection, treatment and disposal of industrial and domestic wastes, which in turn assists with restoration of exhausted clayworkings by carefully controlled landfill operations. During 1981 the Company handled waste to fill a record void of 2.1 million cubic yards, an increase over the previous year of some 34 per cent.

To counter strong competition in the industrial and commercial market, London Brick Landfill has been investing in new multiple-collection vehicles which reduce costs and road mileage for each customer serviced.

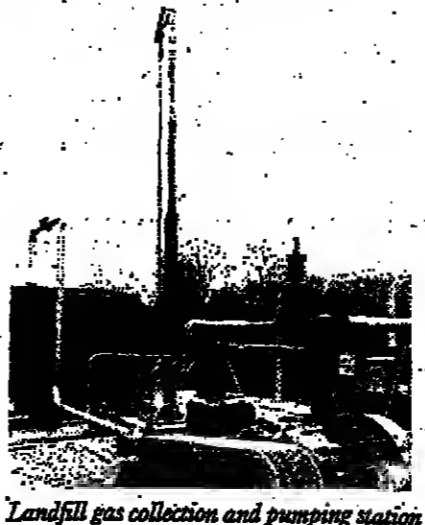
Domestic waste collection by Local Authorities is funded from the rates. "Privatisation" of this service has received wide-spread publicity nationally and a few Councils have gone out to serious tender. London Brick Landfill has investigated and participated in such enquiries and will



compete for this work where it appears profitable and provides mutual benefits to the contractor, the Local Authority and the rate-paying public.

During 1981 the Company tendered for, and won, a major 500 tonnes-per-day waste disposal contract with Hertfordshire County Council for domestic waste.

The innovative developments in conjunction with the Energy Technology Support Unit and Harwell Laboratories in harnessing the landfill gas which develops naturally in landfill sites receiving domestic and allied wastes, continues to progress although some problem areas still have to be resolved. This landfill gas, which includes a high proportion of methane, has been successfully used in the firing of bricks and is potentially a unique new source of energy. Research and development continues in the hope that the time will soon come when the process can be commercially exploited.



Landfill gas collection and pumping station

Banbury Alton

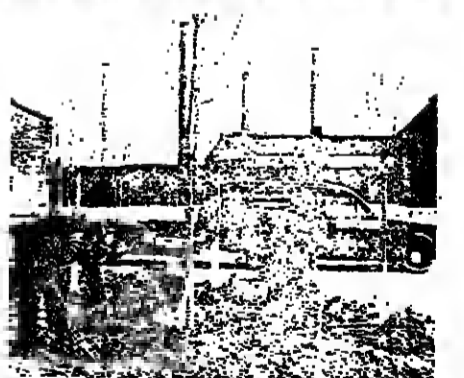
During 1981 very considerable changes have taken place in both the management and organisation of this Company in a sustained effort both to cut back in loss-making areas and to update and upgrade the existing product range.

Banbury Alton is still "a problem child", but in our view its potential is considerable. With a fresh management approach dedicated to improved marketing and rigid control of cost, there is every chance that this hitherto troublesome company can make an effective contribution to the Group.

The Croydex Company

Despite the difficulties of retail trading in 1981, the year has proved to be a satisfactory one for Croydex.

Croydex Export has continued to make steady progress, shipping goods to 69 countries worldwide.



Landscaping

Tribute

It has been a year which has tested the loyalty and tenacity of employees. In trying circumstances, there has been an understanding of the Company's situation and a willingness to effect change, which testifies, I believe, to the close and long-standing human relationships that exist in the business.

LONDON BRICK

To: The Secretary, London Brick PLC
12 York Gate, Regents Park, London NW1 4QL
Please send me a copy of the Annual Report

Name _____

Address _____

Post code _____ FT

Charterhouse Petroleum

A year of expansion

	1981 £000	1980 £000
Turnover	17,172	14,515
Profit from oil production	10,662	9,114
Profit before taxation	10,104	9,099
Profit after taxation	2,581	3,041
Dividends per share	0.75p	0.50p

Charterhouse Petroleum is an independent oil and gas exploration and production company with interests in the United Kingdom and Middle East.

During 1981 profit from oil production before duty and tax increased by 17%. An oil discovery was made in North Sea Block 20/2.

Since the year end the Company has become Operator for Block 13/19 and has applied for licences onshore United Kingdom and in the Irish sector of the Celtic Sea.

The Company is participating in a large exploration concession in Abu Dhabi.

Copies of the 1981 Annual Report may be obtained from Charterhouse Petroleum plc, Audrey House Ely Place London EC1N 6SN. (Tel: 01-404 6905)



McKechnie Brothers

The improvement in our trading profit compared with the corresponding period last year was due mainly to an excellent first half from New Zealand and to better results from the U.K., with the exception of the Chemicals Division where trading conditions continue to be very difficult. Good performances were also recorded by most of our associates overseas but the South African stock holding operations (in which we now have a reduced share) felt the effects of a levelling off in activity. We do not expect any rapid changes in the U.K. where we hope to maintain a slow advance sufficient to counteract any effects of a slackening of demand overseas.

Dr. J. M. Butler, Chairman

Interim Results—unaudited	Half-year ended 31st January		Year ended 31st July 1981
	1982	1981	
Sales	£7,000	£7,000	132,907
Operating Profit	3,459	2,247	5,556
Share of Profits of Associates	2,838	3,251	6,451
Net Profit	3,106	3,171	6,417
Extraordinary Items	1,135	—	27
Ordinary Dividend	995	991	3,615
Earnings per Ordinary Share	6.2p	6.8p	13.3p

Notes—(1) Interim dividend of 2.00p (1981 2.00p) per Ordinary Share making a gross equivalent of 2.95714p (1981 2.85714p).
(2) The appreciation on metal stocks not covered by sales contracts, and not taken into account in this Statement, amounts to £183,000 after taxation. Any adjustment required at 31st July, 1982 will be dealt with as usual by transfer to or from Stock Reserves.
(3) Extraordinary items relate principally to a surplus arising on reorganisation of South African associates on 1st July, 1981.

McKechnie Brothers plc ALDRIDGE, WALSALL WS9 8DS

Companies and Markets

BCR earns C\$1.21m

CANADA'S British Canadian Resources, launched in November 1980 to invest in oil and gas exploration in North America, expects to generate a cash flow of between C\$2.5m to C\$3m in 1982 from its share of oil and gas production.

However, the company states it does not plan to pay any dividends as these funds will be needed to improve the company's financial strength and to meet its development drilling commitments, reports Stephen Thompson.

Net earnings for 1981 were C\$1.21m (£668,000) or 39 cents a share, after allowing for deferred income taxes of \$1.05m.

BCR's first full year of operations followed the raising of \$30m, before expenses, 90 per cent of which was raised in the UK and 10 per cent in Canada.

During 1981 the company spent \$18.5m on exploration and the acquisition of undeveloped leases and royalties.

Participation in 113 wells resulted in 19 oil wells, 51 gas wells and 43 dry holes. BCR's net share of reserves equaled 132,713 barrels of oil and 90m cubic feet of natural gas.

BCR participates in oil and gas exploration through limited partnerships and joint ventures with three North American companies, Woods Petroleum, Orion Petroleum and Westgrove Petroleum. Lease acquisitions are carried out in association with Landbank Minerals.

BCR expects that by the end of 1982 the full C\$30 will have been invested, with 80 per cent spent in the U.S. and 20 per cent in Canada.

At present BCR has royalty or working interests in 30 wells, all located in the U.S., either drilling or awaiting completion and it committed to spend U.S.\$5.5m in a joint venture with Woods Petroleum.

FS Geduld looks for a quick return to normal

BY GEORGE MILLING-STANLEY

DAMAGE TO two shafts and associated workings of the Anglo American Corporation group's Free State Geduld gold mine in South Africa, caused by a series of five earth tremors on April 13, has now been assessed. The group estimates that enough repair work will have been completed by the first week in May for both shafts to resume operations.

The main problem for Free State Geduld is that access ways to some of its higher-grade workings have been damaged. Work on reopening these has already started, and once it is complete it will take about three weeks for the mine to get back to full production.

The mine estimates the short-fall of ore milled by September will be only about 70,000 tonnes, which is modest in the context of Free State Geduld's normal quarterly milling rate of more than 700,000 tonnes.

In any event, this year's production from the important higher-grade areas should be close to the mine's original forecast. The other major piece of good news to emerge from the Anglo group gold mines' March quarterly reports, the last of the current season, is the final dividend from East Rand Gold and Uranium (Ergo). This dump re-treatment operation is to pay 50 cents (26.8p), which comes up to the market's best expectations.

The payment, which compares with 100 cents, brings the total for the year to 110 cents, against 200 cents last time.

Dividends from the other mines in the group, all interims, are mostly a little below expectations. The payments are compared in the accompanying table.

	April 1982	Oct 1981	April 1981	Oct 1980
	cents	cents	cents	cents
ERGO	50	50	100	100
F. S. Geduld	150	150	285	285
Pres. Brand	175	175	270	270
W. Holdings	210	210	350	350
Welkom	52.5	50	150	150

Ergo's dividend followed higher profits for the quarter, in spite of increased spending on the project to re-open the veteran Simmer and Jack mine, lower gold production and the lower average gold price received. A much reduced tax charge gave rise to the increased net profits.

The Simmer and Jack treatment plant should be commissioned early next year, while the main winder and compressor at the South Deep shaft will be in operation in June this year.

All of the mines suffered from the sharply lower average gold price received during the March quarter, as the accompanying table shows.

GOLD PRICE RECEIVED (R per kilo-gramme—\$ per ounce)

	Qtr ended March 31	Qtr ended Dec 31
ERGO	R12,019 (\$431)	R13,080 (\$431)
Elandrand	R11,704 (\$425)	R11,142 (\$425)
F. S. Geduld	R11,727 (\$425)	R13,257 (\$425)
President Brand	R11,780 (\$425)	R13,203 (\$425)
President Brand	R11,728 (\$425)	R13,188 (\$425)
S. A. Land	R11,516 (\$425)	R13,019 (\$425)
Val Reefs	R11,634 (\$425)	R12,132 (\$425)
Western Deep	R11,892 (\$425)	R13,188 (\$425)
Western Hds.	R11,754 (\$425)	R12,200 (\$425)

President Brand was the only other mine in the group to report higher profits. This followed a reduction in working costs as a consequence of a rise in mill throughput.

Several of the mines, in addition to Ergo, benefited from a lower actual tax charge, in spite of the increase in the surcharge announced in the recent South African budget.

The increase applied from the beginning of each mine's financial year, with the result that the Orange Free State mines have paid the higher rate since the start of their accounting periods in September. Anglo has adopted the policy of accounting in this quarter for the whole of the increase.

Free State Geduld was one of the mines to benefit from a lower tax charge, and produced net profits barely changed from the December quarter. The same applies to Western Holdings, which now includes Welkom, Free State Sasplaat and the Erfde/Dankbaarheld area.

The young Blandsrand managed a further reduction in working costs, as a result of increasing mill throughput. There was, however, a slight fall in the gold grade, and this combined with the lower price to push the mine into the red.

The picture is not entirely bleak, as development results indicate that the mine is moving rapidly into areas of better-grade ore.

The Anglo gold mines' results are compared in the following table.

	Mar 81	Dec 80	Sept 80
	qtr	qtr	qtr
East Deep	127	125	122
ERGO	13.54	12.82	12.84
Elandrand	4.29	2.05	4.17
F. S. Geduld	36.18	38.32	41.17
Pres. Brand	27.48	27.07	31.29
Pres. Brand	19.86	30.04	37.29
S. A. Land	1.457	1.89	1.84
Val Reefs	24.78	21.85	25.86
W. Deep	38.12	32.87	38.51
W. Holdings	127.16	137.82	1102.52

*Long, includes Welkom, Sasplaat and Erfde operations.

Lornex in the red

THE Rio Tinto-Zinc group's 63 per cent owned Canadian Lornex molybdenum and copper producing operation in British Columbia now joins the ranks of the world mining companies which are running at a loss.

Lornex reports a first quarter 1982 loss of C\$1.2m (£422,000) equal to 12 cents per share. The company with a net profit of C\$9.2m in the first quarter of 1981, a net profit in the final quarter of C\$14.7m and a total net profit for 1981 of C\$45.2m.

The result for the latest quarter is especially disappointing in view of the fact that the expanded mining and milling facilities commenced operations in mid-1981. As a result, production of metals in the latest quarter was increased by the amount 56 per cent over that for the first quarter of last year.

But its impact on earnings was outweighed by lower metal prices and increased costs. The outlook for the current quarter is thus more encouraging, but whether this will result in output curbs remains to be seen.

First-half loss for Mangala

THE ZIMBABWE copper producer WTD (Mangala) has again passed its interim dividend for the six months to March 31, following a net loss of £21.2m (£2.3m) against a profit of £2883,000.

The company said yesterday that there is no prospect of a return to profitability in the absence of a significant and sustained rise in metal prices in the short term, or a substantial devaluation of the Zimbabwe dollar.

Performance continued to be affected by low metal prices, high costs, falling efficiency and unfavourable rates of exchange.

In order to improve its financial position, Mangala has arranged to borrow £25m under government guarantee. The loan is repayable on December 31 1983.

SPAIN	Price
April 22	342
Banco Bilbao	348
Banco Central	341
Banco Exterior	365
Banco Hispano	314
Banco (no. Cat.)	310
Banco Santander	330
Banco Urquijo	302
Banco Vascos	363
Banco Zaragoza	246
Industria	154
Industria Zinca	56
Industria	62.5
Gal. Preciosos	36.5
Industria	63
Industria	56.5
Industria	57
Industria	50
Industria	59
Industria	7.5
Industria	70
Industria	64

THE TRING HALL
USM INDEX
118.6 (+0.5)
close of business 22/4/82
BASE DATE 10/11/80.100
Tel: 01-438 1591

LADBROKE INDEX
Close 565-570 (+2)

Palabora maintains dividend

THE Rio Tinto-Zinc group's Palabora copper mine in South Africa, which is still suffering the effects of the current weakness in copper prices, has nevertheless maintained its first interim dividend for 1982 at 10 cents (5.4p) a share.

This is the level to which it was reduced at this time last year, from the previous 25 cents.

Last year's dividend total was 30 cents, down from 1980's 110 cents. Profits for 1981 totalled R18.8m, compared with R43.7m in 1980.

Copper production during the first three months of this year fell to 19,331 tonnes from 27,044 tonnes in the first quarter of 1981.

The company said the decline was due to planned shutdowns last month of the smelter and refinery for routine maintenance work, and of the continuous rod casting plant for modifications to increase capacity.

The work was all successfully completed on schedule, Palabora said.

The shares closed unchanged at 500p in London yesterday in advance of the announcement.

Capital gains fade at Denison

THE 74 per cent slide in 1982 first-quarter net profits at Canada's Denison Mines is attributed to lower gains realised on sale of long-term investments and to higher depreciation and interest costs. Earnings declined to C\$7.3m (£3.7m), or 40 cents per share, from C\$25.3m in the first quarter of last year.

Partial offsets were higher earnings from the growing oil and gas operations, principally overseas. Profit margins on uranium operations remained under pressure during the first quarter, while the European oil and gas operations were not yet producing at capacity, reports John Szeglich from Toronto.

The second quarter should see

higher output rates in this latter sector. The slide in consolidated earnings masks an actual improvement in earnings from operations to C\$6.1m against a loss of C\$11.2m.

What changed the 1982 bottom line for the worse was the drastic reduction in other income (sales of investments and properties) to C\$3.3m from C\$46.6m.

RESULTS AND ACCOUNTS IN BRIEF

BRITISH EMPIRE SECURITIES AND GENERAL TRUST (Investment Trust)—21, 1982, 0.22 (same); Gross income (£77,372 (£267,814)); net revenue before tax (£19,276 (£64,662)); tax (£5,718 (£14,286)); Net asset value per share 18.45 (£6.75).
GEORGE INGHAM AND CO. (HOLDINGS) (Investment Trust)—Results for 1981 already known. Group fixed assets £248,239 (£410,151); net current assets £22,247 (£25,347); shareholders' funds £32.8m (£34,216). Meeting, Halifax, May 11, noon.
METAL CLOSURES GROUP (metal, plastic packaging)—Results for 1981 reported March 28 with prospects. Group fixed assets £22m (£17.91m); net current assets £13.85m (£14.61m); shareholders' funds £22.8m (£22.5m). Meeting, West Bromwich, May 14, 11.30 am.
BRITISH MOHAIR SPINNERS (Cotton, dyer and spinner)—Results for 1981 and prospects reported April 1. Shareholders' funds £13.52m

(£13.22m); loan capital £205,878 (£210,255); fixed assets £1.5m (£3.03m); net current assets £10.8m (£10.66m) including cash £16,193 (£26,223) and bank overdrafts (£18,930) (£18,930); decrease in working capital £1.14m (£2.67m). Meeting, Bradford, May 12, noon.
DORADA HOLDINGS (vehicle distribution, engineering)—Results for 1981 reported April 1 with prospects. Group fixed assets £7.55m (£9.05m); net current assets £32,032 (£2,27m); shareholders' funds £7.91m (£8.64m); loans £1.47m (£1.8m). Meeting, Hotel Inter-Continental, W. May 12, noon.
BURMA MINES (Investment trust)—For 1981: dividend 0.55p net per 10p share (0.75p); interest and dividends received £141,824 (£104,510); pre-tax revenue £17,361 (£14,138) including underwriting commission received nil (£1.25) and other remuneration £2,200 (£1,700) and administration expenses

£2,253 (£19,522); tax £26,285 (£25,322); stated earnings per share 0.93p (0.725p); net asset value per share including Burmah compensation 18.35p (£6.90).
JEAVONS ENGINEERING (Irrigated from Penins during 1981)—Results for 1981 and prospects reported March 9. Shareholders' funds £1.96m (£203,000); fixed assets £97,000 (£82,020); net current assets £1.14m (£19,000); net outflow of liquid funds £697,000 (£1.5m). Meeting, Birmingham, May 20, noon.
WILLIAMS & JAMES (ENGINEERS)—Designer and manufacturer of compressor equipment—Results for 1981 reported March 23. Group fixed assets £2m (£1.98m); net current assets £2.09m (£2.38m)—due to bankers £283,010 (£23,402). Report shows commission payments totalling £37,000 to two directors for loss of office. Meeting, Upton St. Leonards (Gloucester), May 14 at noon.

Points made by the Chairman, Michael H Caine

Booker McConnell's profit before tax in 1981 was 20% higher than in 1980. Encouraging increases have been achieved in Food Distribution and Agriculture, and action has been taken to eliminate losses in a number of the engineering businesses.

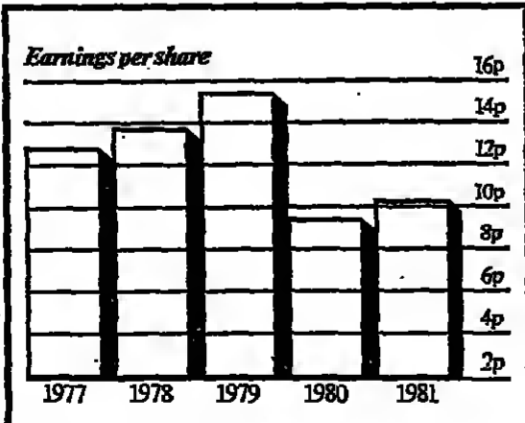
Divisional performance

The Food Distribution Division increased its profit by 42%. Net margins increased and these businesses are now on the way to producing an attractive return.

Agriculture had a healthy increase in profit. In the USA Arbor Acres had a highly profitable year although Nicholas Turkey was less successful. From its UK base Booker Agriculture International increased its profit. Each of these three businesses, forming the Ibec group, has a leading position in specialist markets which allows scope for continuing expansion.

In Engineering, Plenty returned to a satisfactory level of profit. SPP with higher sales also did well. Fletcher and Stewart and Fletcher Sutcliffe Wild each suffered from much lower sales. A number of the smaller businesses have been sold or rationalised.

Health Products Trading had a mixed result. UK profits from health foods and chemists' shops moved forward strongly but the North American businesses suffered losses due to development expenditure.



Summary of Results	1981 £m	1980 £m
Turnover	933	834
Profit before tax attributable to Booker McConnell	15.3	12.8
Equity earnings	12.7	11.8
Earnings per share:	pence	pence
historical cost basis	10.2	9.5
current cost basis	5.4	3.9
Dividends per share	3.5	3.1

Keen cost CASH & CARRY

Budgen SUPERMARKETS

NEUTRALS VITAMIN SUPPLEMENTS

ALLINSON STOREGROUNDFEED

POULTRY BREEDING

3A1 AGRICULTURAL MANAGEMENT

Plenty EQUIPMENT FOR THE OIL AND GAS INDUSTRIES

FSM MINING AND METALS HANDLING EQUIPMENT

BOOKER LINE SHIPPING

Agatha Christie COPYRIGHTS

Italvini WINE

Tia Maria LIQUEUR

LAMB'S NAVY RUM

Booker McConnell FOOD FOR SUCCESS AND A GREAT DEAL MORE BESIDES

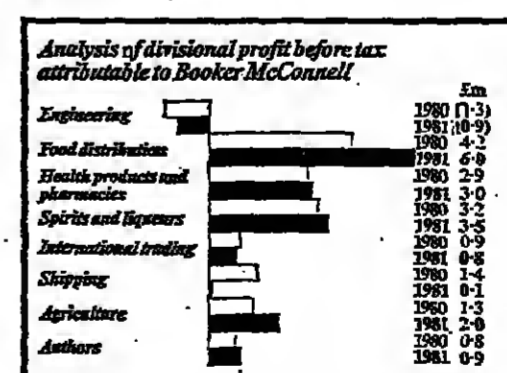
In Spirits and Liqueurs, sales volumes generally were lower although better margins secured a satisfactory profit.

In Shipping, Coe Metcalf had great success whilst the Booker Line made a substantial loss, partly due to the seamen's strike.

The Authors' Division profit reflected Agatha Christie's continuing popularity.

Prospects for 1982

There is still much to do to restore earnings per share to the levels of 1978 and 1979.



Food Distribution will increasingly benefit from the rationalisation of recent acquisitions. There are attractive growth points outside the traditional wholesale businesses—in fresh, frozen and specialist foods and in wine. A profit is expected in Engineering with contributions from all the businesses except Fletcher and Stewart.

In Health Products Trading there will continue to be high costs in planned marketing development in the USA and the launch of new products in the UK. Another increase is hoped for in Spirits and Liqueurs. In Shipping, the Booker Line's prospect remains uncertain. Ibec should again increase its profit.

In total the improvement in profit achieved in 1981 is expected to continue into 1982. The move to a higher level of profit is apparent in many of the businesses. The corner has been turned.

To: Booker McConnell PLC, Bucklersbury House, 33 Cannon Street, London EC4N 3EJ.
I would like to know more about Booker McConnell. Please send me a copy of your report and accounts.

Name _____ Address _____

Booker McConnell PLC

"...a new period in the Company's history"

- John Harvey-Jones



Addressing stockholders at the 55th Annual General Meeting of Imperial Chemical Industries PLC, held in London on Thursday 22 April 1982, the Chairman, John Harvey-Jones, said:

Ladies and Gentlemen, good morning and welcome to the fifty-fifth Annual General Meeting.

Before getting down to business I should like to mention that since we last met one new Director has been appointed. Sir Jeremy Morse, Chairman of Lloyds Bank, has joined the Board as a non-executive Director. Unfortunately Sir Jeremy is unable to be with us today. You will also have noticed the return of Robin Ibbes who rejoins the Board after a two year stint in the Cabinet Office where he was Head of the Central Policy Review Staff.

The next thing I want to do this morning is to pay a tribute to my predecessor, Sir Maurice Hodgson, who was at the helm of ICI in some very rough weather. The power of his analysis and the balance of his judgement have been of enormous value to the Board and the Company as a whole. Active and decisive short-term action was taken yet he was always concerned that we should in no way undermine our fundamental strength or compromise our long-term objectives. ICI owes Sir Maurice a great deal, and the Board loses a Chairman and colleague for whom we have affection and respect. We wish him well in what could hardly be described as retirement. As you know he has accepted an invitation to become Chairman of British Home Stores.

I should also like to refer to Alan Robertson who has retired from the Board after more than forty-five years' service. This service took him from lab boy at Billingham in 1936 to the ICI Board in 1975. In recent years he has played a leading part in expanding the Group's business in the Pacific and Far East. The CBE awarded to him in the New Year Honours list recognised his great services to UK exports. He has our best wishes for a happy and active retirement.

More sadly, I must refer to the death of three former Directors. Sir Paul Chambers who was Chairman of the Company from 1960-1968, Mr P K Standing who was a Director from 1952-1957 and Alfred Spinks FRS who was a Director from 1970-1979. All were men who made a profound contribution in their respective fields. Our deepest sympathy goes to their families.

Ladies and Gentlemen, a change in the Chairmanship of ICI inevitably prompts a certain amount of speculation and portrait-painting in the Press, and this occasion has been no exception. I wish to say only four things to you in advance about my Chairmanship. First, I have a clear sense that we are at the threshold of a new period in the Company's history; changing times require new prescriptions and I intend that this will be a period of further achievement when we set ICI firmly on course for success in the 80s and on into the 90s. Secondly, in a Company like ICI it is desirable, necessary and inescapable that there should be a large measure of continuity and stability in the pursuit of long-term objectives - and that will be fully recognised in my approach. Thirdly, I have a deep conviction that our success in the period which lies ahead will depend on the extent to which we can release the full vitality and talents of people at all levels in our Company. Whatever continuing organisational change there may be will be directed at that objective. Fourthly, my whole economic and business philosophy is based on a profound belief in the role of an enterprising, profit-making private sector and I pledge my total commitment to showing that ICI as a leading British-based business can set an example of private enterprise tackling and conquering the challenges of the eighties in a socially responsive and responsible way.

Obviously the period we have been going through has been one of great difficulty and uncertainty and while we must look forward rather than backward, it is important to be clear what has been happening, what the hard experience of the last year or two has demonstrated about ICI, and what it means for the future.

1981 Results

You will all have traced the progress of our pre-tax profits - £613m in 1979, down to £284m in 1980 and now up to £335m in 1981. It looks like a V with the upward stroke only just begun. But really, that is a rather inadequate description of what has been happening. We need to look a little more closely at the anatomy of the Group's results.

Let me start with the positive - a large part of ICI has performed excellently. As you know the Group's total chemicals sales in 1981 were £5.7 billion. More than a third of these sales were generated by the agricultural, pharmaceuticals, explosives and paints businesses. Taken together, this group of products is coming through the recession with flying colours. If we measure their performance back across the V of the recession to 1979 we see that their 1981 sales show an increase of 23% over 1979, and their trading profit an increase of no less than 27%. It is important to appreciate the magnitude of this profit and the strength of this performance - £334m of trading profit - in a year like 1981.

From a territorial point of view, a very big part of ICI has likewise performed excellently. We now regard the UK and the rest of Western Europe as our home market. If we look outside this home market and group together all those many other countries where we operate, in the Americas, Australasia and the Far East, Africa, the Indian sub-continent and elsewhere - we find that these countries together increased their trading profit by 30% between 1979 and 1981. Again, it is important to appreciate the magnitude of this contribution from outside our home market - it amounted to 40% of the total trading profit.

Not should we forget our successful oil business which produced a trading profit of £83m in 1981.

The difficulties which have developed post-1979 are essentially in those businesses which are suppliers to manufacturing industry and essentially businesses located in the UK and Continental Western Europe. Of course, it would be totally unrealistic to expect the chemical industry to remain unscathed while steel, automobiles, construction and manufacturing industry in general took such a hammering from the harsh recessionary conditions. Growth in chemical raw materials is totally related to general economic growth and a activity in manufacturing industry. Thus our bulk materials business has inescapably suffered and, to a somewhat lesser degree, continues to suffer. Although there has been some mitigation of the combination of adverse factors so graphically described by Sir Maurice Hodgson last time we met, the hard fact is that manufacturing production fell by a further 6% in the UK in 1981 and ICI UK chemicals sales volume fell by 3%.

Within the group of businesses supplying bulk materials to manufacturing industry we can make a further distinction. On the one hand is a group of products currently depressed by the market, which we can expect to recover steadily as market demand improves. This includes some general chemicals and, we hope, fibres, which is currently on the edge of break-even, having been almost totally reconstructed.

On the other hand, the plastics and petrochemicals business has been confronted with an acute problem of transition where the likelihood that economic growth will take up spare capacity is so low that radical rationalisation on a European scale is necessary to bring it back to profitability. Our share of the worldwide plastics and petrochemicals market is currently £1.7 billion. This business is not due to vanish; the world, including Western Europe, will continue to want plastics and petrochemicals products, albeit in a much more competitive environment. The immediate problem is not unlike the one we have already encountered in fibres. The industry requires rationalisation and we shall have to reshape our part of it. There are too many companies making too many of the same products, a lot of them on a scale which cannot and should not hope to survive the harsher conditions now facing the industry. Throughout the industry in Western Europe there will have to be a process of rationalisation, including portfolio exchanges and closure of inefficient and older plants. This is not an ICI problem but an industry problem. Indeed, ICI begins this process with advantages. Parts of our plastics business, for example industrial films of various kinds and engineering products, are healthy and successful and likely to remain so, and we have the advantage of up-to-date and efficient plants and technology.

So, looking back across the period 1979-1981, we can see that a substantial part of the Group has so far ridden confidently through the recession. Other sectors which are basically strong in technology and market skills will respond positively to greater market demand.

But some sectors of our bulk materials business, in which we nevertheless have considerable strength, suffer from industry-wide problems and need to be reshaped into profitability.

Now let me turn to what this experience has demonstrated about ICI. I shall put it like this: the overall results in our hard-hit businesses are still very bad but the achievement in terms of recovery has been enormous. During 1981 losses in fibres, plastics and petrochemicals were reduced by 45%. Export volume was pushed higher and back into profit. These 1981 achievements were almost entirely a result of our own efforts. There was very little help from the market where our customers have remained hard pressed, very modest help from currency movements, some reduction in inflation, but no relief from inflation in Government-controlled costs and interest rates remained high. In addition to the well publicised problem of electricity costs and substantial increases in rates the imposition of Supplementary Petroleum Duty helped to double our oil tax bill. Nevertheless, the Company demonstrated ability to respond rapidly and effectively in reducing its fixed cost base by £100m in real terms. This was a very considerable achievement and one which could not have taken place without the abilities, understanding and constructive reaction of our employees. It is doubtful whether competitors, who are suffering likewise in these same business areas have been able to equal our rapid adjustment to changed circumstances.

We are also emerging with a strong balance sheet - the maintenance of which we have seen as a key objective. Our 1981 fixed capital expenditure of £400m, slightly more than half that of 1980, was financed basically from internal resources, and loan repayments were greater than new borrowing. Thus the ICI balance sheet, financial ratios and liquidity are satisfactory and provide a good spring-board for future advance.

Ladies and Gentlemen, I hope that, without under-rating the real and urgent problems of some of our businesses, I am conveying to you a realistic sense of confidence based on our current achievement and determination to sustain long-term objectives.

Dividend

One expression of this confidence is the partially restored dividend. It is our firm intention to improve the return to shareholders as soon as earnings permit. The cut that was made with the greatest reluctance a year ago was part of the prompt and decisive action we had to take on a number of fronts in a climate of severe economic recession and the greatest uncertainty. Since then the situation has improved somewhat and the modest improvement in profitability which our actions have produced has also enabled us partially to restore the dividend. Any further restoration will of course depend on the effectiveness of our further actions, and a more helpful market situation generally.

Prospects for 1982

As I look forward, any general caution I have is not about ICI's ability, but about the economic climate and its uncertainty.

Since the Annual Report was published there has been a significant fall in oil prices. This is helpful and welcome as far as the cost of this raw material is concerned, but it should not be taken as a signal to undermine bulk product prices, which desperately need to be increased. One can hope that just as the escalation of prices in 1973 and 1974 sent the world economy into a downward spiral, we might expect a resurgence of economic growth if oil prices were now to reduce considerably. But of course, oil prices are not going down at the rate they went up, and OPEC is attempting to stabilise prices at their chosen level. What success they will have remains to be seen but let me remind you that oil was \$3.4 a barrel before OPEC's concerted action in 1973-1974, and the contract price of North Sea Oil is now \$31 a barrel, which even in real terms is more than four times greater.

There are also considerable uncertainties arising from the performance of the United States economy, the effect of its high interest rates on European economies, and the proliferation of exchange rate instabilities in Europe. Given that £1.5 billion of our business is in exports from the UK, we cannot escape the effects of such instabilities.

With such uncertainties around nobody's crystal ball is going to be anything other than cloudy, and we have to be much more careful about our assessment of forecasts. When we spoke to the Press in February, we said that the year had got off to a poor start and that economic recovery was likely to be delayed. The passage of a further two months has done nothing to change that overall view.

Hence, we cannot afford to let up in our pursuit of further efficiency and operating economies. We have to get every sector of the business back into healthy profitability as quickly as possible. As quickly as possible may not be as quickly as we would like but I think the track record of the last eighteen months or so shows that we are not slow to act.

Future Strengths

In my opening remarks, I spoke of ICI as being at the threshold of a new period in its history. I mean that in the most positive sense. There are more opportunities ahead than can be imagined. Our approach will be to optimise these opportunities by a persistent search for product uniqueness as well as by building on established strength and in that context we have, despite the recession, remained alert to business opportunities. You will have noted our acquisition of full ownership of Rubicon Chemicals Inc., the proposed arrangements with Lonza and our offer for Holden, which we hope to complete following the Monopolies Commission investigation. Our thinking about products, markets, businesses and territories will need to be open and flexible if we are to make the best of future opportunities. We have of course plenty going for us because we have growth points in most countries around the world. Our product portfolio is already broad and diverse. We have some excellent technology in our business areas and exciting new ideas and developments in many sectors. New plants are making improvements of up to 40% in energy efficiency. ICI has demonstrated the ability to synthesise the interferon gene in ways which allow us to make significant and potentially very important alterations to the gene. This will broaden the number of interferon types which can be provided and thus has great significance for their future use in world medicine. We are a world leader in the development of crop protection chemicals. The explosives business has recently introduced new emulsion-type explosives and a novel range of detonators and primers. New chlorine technology has already been licensed to three European manufacturers within the first few months of being offered. Novel inorganic materials with exciting new properties are just around the corner. These are just a few examples to support my conviction that we continue to be a leader in technological innovation and shall continue to lead in the years ahead.

Making the right choice about our future product and territorial emphasis will of course be of crucial importance to the future of the Group. In getting that right we shall create our own opportunities. I want to add however that no part of this strategy will involve 'getting out of Britain'. I can envisage no situation in which ICI could or should leave Britain. However, the UK is only 5% of the world chemical market and we cannot maintain a world position solely from such a base. We must build on our international strengths.

Our job, put quite simply, is to remain profitable by beating the opposition. This opposition is not only here in the UK but is worldwide - not just the top chemical companies in America, Japan or elsewhere, but also the chemical affiliates of major oil companies and in some cases the subsidiaries of national Governments who do not necessarily have the same criteria for commercial success as ourselves.

In this we shall be relying on our people who are the greatest single competitive asset we possess. This does not gainsay the fact that the number of people we employ is reducing substantially as we reconstruct parts of the business. We have no option other than to be fully competitive as the only realistic way to secure the job prospects of the large numbers we shall continue to employ. But the quality of the contribution of our people at all levels, which has been such an outstanding feature of our past success will continue to be of the greatest importance in the future. All my thinking about organisational change leads me to believe that if we can continue to reduce layers of management, push decisions outwards and downwards to business units which have a clear identity, objective and headroom to act, we shall enable people to give a lot more and get a lot more.

Our objective is that ICI should be the best of chemical companies, the most competitive and reliable in the eyes of its customers and the most profitable and robust from the point of view of employees and shareholders. I am confident that you will continue to see progress towards this objective.



Imperial Chemical Industries PLC

Companies and Markets

BIDS AND DEALS

This announcement appears as a matter of record only

Lombard North Central
part of the

National Westminster Bank Group
is pleased to announce that during 1981

it leased
£50,000,000

of U.K. Chemical and other Plant to
Imperial Chemical Industries PLC



April 1982

Offer for ACC gets more than 90% acceptance

TVW Enterprises, the Australian television company headed by Mr Robert Holmes a Court has now gained more than 90 per cent acceptance to its offer for Associated Communications Corporation from the important voting shareholders.

TVW said yesterday through its advisers Bank of America International, that it had gained 99.43 per cent of the ordinary shares in issue — the voting shares. It revealed that it had received acceptance for a further 16,000 ordinary shares since its last announcement. In all the Australian group has received 149,138 of the voting shares and over 90 per cent of the non-voting shares.

The level of acceptances is enough to trigger the higher offer of 110p per non-voting share made by TVW in its offer, the lowest of which was worth 95p per share.

FLDERS BID FOR WOOD HALL OFFSHOOT

ELDERS IXL is offering A\$1.55 cash for shares in Australia Mercantile Land and Finance Holdings, the Australian subsidiary of Wood Hall Trust which Elders IXL recently acquired.

The offer will be recommended by the AMI board following an independent appraisal which has been made by BA Australia. The price is fair, Elders IXL owns 76.8 per cent of AMI's issued capital through Wood Hall Trust. AMI had been one of Elders' main competitors in the Australian pastoral sector.

Maxwell lifts Lonsdale Universal holding to 10%

BY DUNCAN CAMPBELL SMITH

MR ROBERT Maxwell's British Printing and Communication Corporation has increased its holding in Lonsdale Universal, the office equipment and printing company for which John Menzies has bid £5.64m.

BPCQ acquired an initial stake of 555,000 shares in Lonsdale early on Monday following a "dawn raid" by Menzies at 60p. Menzies built up an 11.22 per cent shareholding before announcing a full bid at 60p later on Monday but has since been precluded from adding to his Lonsdale holding as the shares have been trading above the bid price. BPCQ bought another 335,000 shares in Lonsdale at 66p on Wednesday afternoon.

Mr Maxwell himself left for a week-long trip to China on Wednesday. BPCQ's advisers, Henry Anshacher and Co., said yesterday that no further market purchases had been made by the company's broker, Grievson Grant, but they could not predict Mr Maxwell's intentions.

Meanwhile, the BPCQ chairman remains "in occasional touch" with his advisers, whom he left possible a formal meeting with Lonsdale. This has now been agreed following an approach to Henry Anshacher by Mr Norman Ramseyer, Lonsdale's chairman. Mr Ramseyer is understood to have sought the meeting himself after having talks on Wednesday with Mr John Menzies, the chairman of the Edinburgh-based stationery group. Mr Menzies could not be reached for comment yesterday.

Mr Ramseyer confirmed that he had been telephoned twice on Monday morning by Mr Maxwell, who said his company had been buying Lonsdale shares "as an investment" and that if Lonsdale's aim was to remain

independent then BPCQ would be "in their corner". Mr Ramseyer said he told Mr Maxwell that Lonsdale "would like to stand on its own two feet". Mr Maxwell sought another conversation with Mr Ramseyer before leaving for China—the two men have never met personally—but the Lonsdale chairman said he was busy talking with his advisers, Kleinwort Benson, throughout Tuesday.

Mr Ramseyer insisted yesterday that he had nothing to add to his statement earlier this week recommending Lonsdale's shareholders not to sell their shares. Talks with the company's advisers were continuing.

Lonsdale's shares closed at 66p, down 1p. Asked if BPCQ would be making further purchases in the market, Henry Anshacher said "it would probably be a sensible strategy if the price fell back."

Bullough in £3.2m acquisition

Bullough, the furniture manufacturing and engineering group, has acquired the privately-owned Propafor group of companies for £3.2m.

Propafor, a Luton-based manufacturer of specialist floor installations, earned £500,000 in the year to October 31, 1981 and had net assets at that date of £1.25m.

Mr T. B. Brooks, Bullough's financial director, said the price was based on a multiple of Propafor's earnings which were

expected to grow significantly. Bullough's shares closed up 10p at 185p.

The acquisition has been accompanied by a Class 1 circular and notification of an extraordinary general meeting, said Mr Brooks, because a technical deficiency in Propafor's inventory accounting prior to October, 1980 required the auditors, Coopers and Lybrand, to qualify their statement of the company's accounts.

Propafor is at present owned by the Harvey family and principally Mr Ron Harvey who has recently retired. A £2m cash payment comprises most of the

purchase consideration. An issue of 99,271 shares in Bullough valued at 180p each has also been made to Mr Andrew Harvey, the founder's son and present managing director.

It is understood that Bullough intends to offer Mr Harvey a service contract to remain in his present position. Propafor will be closely integrated with Project Office Furniture, another of Bullough's subsidiaries. "The two businesses of floor installation and office equipment do tend to go hand in hand and we think there will be leads from one to the other company," said Mr Brooks.

Ward & Goldstone agrees Irish sale for £3.2m

Ward and Goldstone, the general electrical group, has reached a conditional agreement over the sale of its Irish subsidiaries to Wessel Cable, a Norwegian and Irish consortium, for £3.2m cash.

Ward and Goldstone intends to use the money to reduce its bank borrowings and to continue its capital programme. Wessel Cable is 20 per cent owned by the Allied Irish Investment Bank, 40 per cent by Norsk Kabelfabrik, 25 per cent by Vessel Kabelfabrik and 15 per cent by A/S Teleplan. The Irish subsidiaries make wires, cables and electrical wiring accessories and plastic products for the building and agricultural industries.

The deal involves a deposit of 10 per cent of the total price, ie, £320,000 on the exchange of contracts and the rest to be paid on completion. The purchase price has been based on the Irish subsidiaries achieving pre-tax profits in the financial year ended March 31 1982 of £260,000 (£480,000).

Ward and Goldstone Ireland, had a turnover of £10m in the year ended March 31 1981 and pre-tax profits of £718,000. In the event of the company not reaching the trigger point for the offer, the purchase price will be reduced by the amount the audited pre-tax profits falls below the target. Interest on the purchase will accrue at money market rate from April 20 to the date of completion.

Ward and Goldstone said the Irish subsidiaries had repaid an interest free loan of £1.1m from the parent company. The £1.1m have a material effect on the group's pre-tax profits as the interest on the loan saved was equal to the contribution from the Irish subsidiaries.

SEDGWICK GROUP
Sedgwick Group has completed the merger of its subsidiary in the Netherlands, O. W. J. Schencker BV, with Singlegroep BV, a leading broking and underwriting firm in that country.

Amal. Estates holders offered stake in HTN

Amalgamated Estates, the property development group, is offering its shareholders an opportunity to subscribe for new equity in HTN, the group's subsidiary which provides a private television service to the hotel industry.

The parent at present holds 1.8m of the 2m outstanding shares in HTN, the remainder belonging to Report, a private company. An issue of 1m new shares at 100p each has now been underwritten by Amalgamated's stockbrokers, Margets and Aidenbrooke, East, Newton.

The new shares are on offer until May 7. If oversubscribed, they will be allocated on a reduced, pro-rata basis. There are presently about 2,500 shareholders in Amalgamated.

Following a fully subscribed issue, they will hold a third of HTN leaving Amalgamated with 60 per cent.

The HTN business is so far restricted to London and already has 8,000 hotel rooms under contract. Programmes are provided free with revenues relying on advertising income.

Amalgamated's shares were unchanged at 24p. Offer documents were posted yesterday to shareholders registered at the close of business.

CHARTERHOUSE GRP.

The agreed acquisition of 90 per cent of the capital of Coleriff for £17.88m by a consortium led by Charterhouse Group has been completed.

Coleriff is forecasting pre-tax profits of £2.7m for the year ended March 31 1982 (£2.5m), on a turnover of £27m (£21.7m). Its net assets at March 31 were estimated to be £11m (£8.4m).

Charterhouse has satisfied its 53.3 per cent share of the consideration by issue of 13,360,737 ordinary shares.

BORG-WARNER

Borg-Warner has sold its Morse Chain operation to Morse Flexon, a company with extensive international experience in chain and transmission products industries. All of the 300-strong workforce has been offered continuity of employment.

HAT GROUP

In order to meet current and future financial commitments Mr P. J. H. Telling, a director of HAT Group, sold on April 15 from his beneficial holding 90,000 ordinary shares.

Furthermore, because of changes in the beneficiaries of family trusts, Mr Telling no longer has a beneficial interest in a further 303,441 ordinary shares.

VINTEN GROUP

At the EGM of Vinten Group, the resolution to approve the acquisition of Exotic Materials and the placing of 1.65m new ordinary shares in Vinteco was passed. The agreement for the acquisition of Exotic and the placing of the Vinteco shares has become unconditional.

Ruddle changes its mind and plans USM listing

RUTLAND-BASED brewer G. Ruddle has reinstated its plans to join the Unlisted Securities Market. The family controlled company had intended to come to the market in February, but pulled out because of the "proximity of the Budget and its possible effect on beer sales."

Mr Tony Ruddle, chairman, said last night that the "outlet had been pressed and unless something unforeseen happens, and that includes a deterioration in the Falklands, the issue will come towards the end of May."

Stockbrokers L. Messel are arranging a share placing of 20 per cent of the equity. Half the shares placed will come from existing holders, and the balance will raise fresh capital for the company.

At present, 60 per cent of the company is owned by the

immediate Ruddle family. Mr Felix Mertz, a director, holds 24 per cent having bought out (with others) the interest of national brewer Whitbread.

Mr Ruddle said that the new money was for "security" and that there are no immediate plans for its use yet.

The company will be valued at around £5m when it comes to the market.

Ruddle sells 70 per cent of its output to the take-home trade, Salsbury, for example, takes a fifth of its beer. The balance goes to the free trade, apart from sales to the company's only public house.

Profits for the year ended March 1982 rose from £717,000 to over £800,000, and the directors will be forecasting a further increase for the current year in the placing document.

KCA Drilling Group P.L.C.

Record results for year ended 31.12.81

*Turnover	£26,951,000 — 60% increase
*Pre-tax Profits	£5,838,000 — 67% increase
*Profit Attributable to Shareholders after Tax	£3,480,000 — 54% increase
*Earnings per Share	7.565p
*Proposed Dividend for six month period from 1st Oct 1981	1.875p

In his first annual statement of KCA Drilling since the offer to the public of 25 per cent of the shares in June 1981, Chairman Paul Bristol, said:

"It is gratifying that the forecast in the Offer for Sale document has been achieved and it is hoped that, in spite of the apparent downturn in oil activity, the Company is strategically placed for advancement in those parts of the world less affected by current cutbacks.

The drilling contract for Mobil's Beryl 'B' platform was the most significant contract gained in 1981. Work has started on construction of the drilling rig and it will be operational in 1983."

Copies of the 1981 Report and Accounts can be obtained from: The Secretary, KCA Drilling Group P.L.C., 9th Floor, Berkeley Square House, Berkeley Square, LONDON W1X 6BY.

**Profits up 124%
Dividend Doubled**

Results to 31.1.82	1982 £'000	1981 £'000
Turnover	64,221	58,998
Profit	1,642	733
Earnings	1,481	655
Earnings per share	8.1p	3.6p
Dividends per share	2.0p	1.0p
Net tangible assets per share	69p	63p



Special Vehicles, Farm Equipment, Consumer Products, Employment Bureau, Word Processors, Property Development.

For a copy of the accounts write to Hestair plc, 10 Castle Hill, Windsor, Berks SL4 1PD; or phone Windsor 54945.

Welkom Gold Mining Company Limited
(Incorporated in the Republic of South Africa)

INTERIM REPORT—1982

Financial Results

The following are the unaudited results of the company and its wholly-owned subsidiary, Free State Saaiplaats Gold Mining Company Limited, for the six months ended March 31, 1982. These results relate to the operations conducted by the company and the subsidiary as investment holding companies, their respective mining undertakings and assets having been sold to Western Holdings Limited, as going concerns, with effect from July 1, 1981.

No comparative figures are given in respect of the corresponding six-month period ended in 1981, as the operations then conducted were of a mining nature and therefore not comparable.

Investment income	14,135
Less: Sundry expenditure	95
Profit before taxation	14,040
Taxation	—
Profit after taxation	14,040
Retained profit brought forward	63
Profit available for distribution	14,103
Deduct:	
Dividend — Interim	13,808
Retained profit	295
Earnings per share — cents	53.4
Dividend per share — cents	52.5
Number of shares in issue	26,300,000

The final dividend (No. 49) of 90 cents a share in respect of the year ended September 30, 1981, was declared on October 22, 1981, payable to members registered on November 6, 1981, and was paid on December 11, 1981.

Subsidiary Company

At March 31, 1982, the company's wholly-owned subsidiary, Free State Saaiplaats Gold Mining Company Limited, had net assets comprising 3,653,000 shares in Western Holdings Limited, at a book value of R39,717,000, and net current assets of R309,000.

Listed Investments

The group's listed investments are: 6,838,000 shares in Western Holdings Limited

Market value	300,872
Book value	64,829
Appreciation	236,043

Copies of the quarterly report of Western Holdings Limited which gives details of the company's operations are available on request from the offices of the transfer secretaries.

For and on behalf of the board
G. Langton
E. Pavitt
Directors

Declaration of Interim Dividend No. 50

On April 22, 1982, dividend No. 50 of 52.5 cents a share was declared in South African currency, payable to members registered in the books of the company at the close of business on May 14, 1982.

The transfer registers and registers of members will be closed from May 15 to May 28, 1982, both days inclusive, and warrants will be posted from the Johannesburg and United Kingdom offices of the transfer secretaries on or about June 10, 1982. Registered members paid from the United Kingdom will receive the United Kingdom currency equivalent on May 17, 1982, of the rand value of their dividends (less appropriate taxes). Any such members may, however, elect to be paid in South African currency, provided that the request is received at the offices of the transfer secretaries in Johannesburg or in the United Kingdom on or before May 14, 1982.

The effective rate of non-resident shareholders' tax is 15 per cent.

The dividend is payable subject to conditions which can be inspected at the head and London offices of the company and also at the offices of the company's transfer secretaries in Johannesburg and the United Kingdom.

By order of the Board

ANGLO AMERICAN CORPORATION OF SOUTH AFRICA LIMITED

Secretary
per: C. R. Hall
Divisional Secretary

Transfer Secretaries
Consolidated Share Registrars Limited
62 Marshall Street
Johannesburg 2001
(P.O. Box 6105)
Marshalltown 2107

Charter Consolidated P.L.C.
P.O. Box 102, Charter House
Park Street, Ashford
Kent TN24 8EQ

London Office
40 Holborn Viaduct
London EC1P 1AJ

Johannesburg
April 23, 1982

UK COMPANIES

Owen Owen ends year in red

REDUCED second-half profits of £1.98m, against £3m last time, were insufficient to offset the mid-year losses at Owen Owen, the Liverpool-based department store operator.

Approximately half of the deterioration was attributable to the increased by high interest rates of the group's substantial development programme.

The remainder of the deterioration arose from the world-wide recession, from the strike in Hamilton's main steel industry which persisted from early August to mid-December.

The final dividend is being cut from 3.25p net to 2p per 25p share, which leaves the year's total payment at 3p (4.25p) plus the interim was maintained at 1p.

In the current year, trading conditions continue to be difficult, the board states, and it would be unwise to expect improved results for the first six months.

Western Motor's losses increase to £487,000

PRE-TAX losses of Western Motor Holdings, the car delivery, retail motor and leisure group, have increased from £316,000 to £487,000 for the year ended March 31 1982.

After tax of £4,000 (£23,000) and extraordinary debits of £203,000 (£231,000) the attributable deficit increased from £518,000 to £659,000. Stated loss per 25p share was up from 14.27p to 21.87p.

There is again no dividends—the last payment was an interim of 1p net in respect of 1979. The company says it has experienced another difficult year which has affected all three divisions and little movement can be expected until there is a major change in the general economic climate.

At the interim stage, the company returned a lower pre-tax profit of £255,000 (£340,000). It has been necessary to reduce the number of employees during the year by just under 300.

The company has carefully reappraised its properties in use and those found to be surplus will be disposed of. Net asset value per share fell from 240p to 210p at the year-end.

In current cost terms, the year's pre-tax deficit was £729,000 (£580,000).

First Charlotte Assets

Net revenue of the First Charlotte Assets Trust in its first 10 months of operation from May 12 1981 to March 31 1982 came to £54,000, earned an income of £141,000.

The company is managed by Ivory and Sims and invests predominantly in real companies on the USM. It was launched by a placement of 30m shares of 5p each on May 6 1981.

With earnings per share stated at 0.18p the ordinary dividend is set at 0.06p net together with a special payment of 0.15p. Interest and expenses were £50,000 and tax took £37,000.

At the year-end investments in equities totalled £1.62m—equivalent to 56 per cent of the trust's assets, 34 per cent of which has been invested in 19 UK companies and 22 per cent in nine US companies.

Fixed interest securities amounted to £1.5m and net current liabilities came to £59,000. The assets are valued at £1.5m and net assets are given as £1.5m.

The directors say that as the USM is a small but growing market with new issues being made on a regular basis, they have been careful to invest UK funds selectively. Liquidity, which represents 44 per cent of assets, is still available for future new issues.

At March 31 1982, only 18 per cent of the assets had been invested so far in USM quoted companies. Earnings and net income were enhanced by interest earned on the high levels of liquidity obtained during the period.

The directors do not anticipate, therefore, that these levels will be maintained.

Gold mining companies administered by Anglo American Corporation

All companies are incorporated in the Republic of South Africa.

Transvaal Reports of the Directors for the quarter ended March 31 1982.

WESTERN DEEP LEVELS Western Deep Levels Limited

Table with columns: Quarter ended March 1982, Quarter ended Dec. 1981, Year ended Dec. 1981. Rows include Operating Results, Financial Results, Uranium Oxide, and Development.

Operating Results: Total sales 180,000, Total production 191,000, Total milled 225,000.

Financial Results: Total sales 11,892, Total production 13,440, Total milled 15,440.

Uranium Oxide: Total sales 588, Total production 587, Total milled 231.

Development: Advances 7,327, Channel width 112, Channel depth 31.4, Channel width 16.42, Channel depth 0.42, Channel width 15.27.

Capital Expenditure: Total 2,343, Advances 2,343, Channel width 1,316, Channel depth 1,027.

Operating Results: Total sales 5,817,000, Total production 4,578,000, Total milled 19,205,000.

Financial Results: Total sales 12,010, Total production 13,990, Total milled 15,770.

Uranium Oxide: Total sales 588, Total production 587, Total milled 231.

Development: Advances 7,327, Channel width 112, Channel depth 31.4, Channel width 16.42, Channel depth 0.42, Channel width 15.27.

Capital Expenditure: Total 2,343, Advances 2,343, Channel width 1,316, Channel depth 1,027.

Operating Results: Total sales 5,817,000, Total production 4,578,000, Total milled 19,205,000.

Financial Results: Total sales 12,010, Total production 13,990, Total milled 15,770.

Uranium Oxide: Total sales 588, Total production 587, Total milled 231.

EAST DAGGAFONTEIN East Daggafontein Mines Limited

Table with columns: Quarter ended March 1982, Quarter ended Dec. 1981, Year ended Dec. 1981. Rows include Operating Results, Financial Results, Uranium Oxide, and Development.

Operating Results: Total sales 8,000, Total production 8,000, Total milled 1,108.

Financial Results: Total sales 11,516, Total production 13,019, Total milled 15,019.

Uranium Oxide: Total sales 588, Total production 587, Total milled 231.

Development: Advances 7,327, Channel width 112, Channel depth 31.4, Channel width 16.42, Channel depth 0.42, Channel width 15.27.

Capital Expenditure: Total 2,343, Advances 2,343, Channel width 1,316, Channel depth 1,027.

Operating Results: Total sales 5,817,000, Total production 4,578,000, Total milled 19,205,000.

Financial Results: Total sales 12,010, Total production 13,990, Total milled 15,770.

Uranium Oxide: Total sales 588, Total production 587, Total milled 231.

Development: Advances 7,327, Channel width 112, Channel depth 31.4, Channel width 16.42, Channel depth 0.42, Channel width 15.27.

Capital Expenditure: Total 2,343, Advances 2,343, Channel width 1,316, Channel depth 1,027.

Operating Results: Total sales 5,817,000, Total production 4,578,000, Total milled 19,205,000.

Financial Results: Total sales 12,010, Total production 13,990, Total milled 15,770.

Uranium Oxide: Total sales 588, Total production 587, Total milled 231.

VAAL REEFS—continued

Table with columns: Quarter ended March 1982, Quarter ended Dec. 1981, Year ended Dec. 1981. Rows include Price Received on Gold Sales, Financial Results, Uranium Oxide, and Development.

Price Received on Gold Sales: Total 11,634, Total production 13,132, Total milled 12,018.

Financial Results: Total sales 207,528, Total production 228,134, Total milled 258,293.

Uranium Oxide: Total sales 588, Total production 587, Total milled 231.

Development: Advances 7,327, Channel width 112, Channel depth 31.4, Channel width 16.42, Channel depth 0.42, Channel width 15.27.

Capital Expenditure: Total 2,343, Advances 2,343, Channel width 1,316, Channel depth 1,027.

Operating Results: Total sales 5,817,000, Total production 4,578,000, Total milled 19,205,000.

Financial Results: Total sales 12,010, Total production 13,990, Total milled 15,770.

Uranium Oxide: Total sales 588, Total production 587, Total milled 231.

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Financial Results: Total sales 12,010, Total production 13,990, Total milled 15,770.

Uranium Oxide: Total sales 588, Total production 587, Total milled 231.

ERGO ERGO Gold and Uranium Company Limited

Table with columns: Quarter ended March 1982, Quarter ended Dec. 1981, Year ended Dec. 1981. Rows include Operating Results, Financial Results, Uranium Oxide, and Development.

Operating Results: Total sales 5,817,000, Total production 4,578,000, Total milled 19,205,000.

Financial Results: Total sales 12,010, Total production 13,990, Total milled 15,770.

Uranium Oxide: Total sales 588, Total production 587, Total milled 231.

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Financial Results: Total sales 12,010, Total production 13,990, Total milled 15,770.

Uranium Oxide: Total sales 588, Total production 587, Total milled 231.

S.A. LAND The South African Land & Exploration Company Limited

Table with columns: Quarter ended March 1982, Quarter ended Dec. 1981, Year ended Dec. 1981. Rows include Operating Results, Financial Results, Uranium Oxide, and Development.

Operating Results: Total sales 475, Total production 415, Total milled 1,514.

Financial Results: Total sales 11,516, Total production 13,019, Total milled 15,019.

Uranium Oxide: Total sales 588, Total production 587, Total milled 231.

Development: Advances 7,327, Channel width 112, Channel depth 31.4, Channel width 16.42, Channel depth 0.42, Channel width 15.27.

Capital Expenditure: Total 2,343, Advances 2,343, Channel width 1,316, Channel depth 1,027.

Operating Results: Total sales 5,817,000, Total production 4,578,000, Total milled 19,205,000.

Financial Results: Total sales 12,010, Total production 13,990, Total milled 15,770.

Uranium Oxide: Total sales 588, Total production 587, Total milled 231.

VAAL REEFS Vaal Reefs Exploration and Mining Company Limited

Table with columns: Quarter ended March 1982, Quarter ended Dec. 1981, Year ended Dec. 1981. Rows include Operating Results, Financial Results, Uranium Oxide, and Development.

Operating Results: Total sales 475, Total production 415, Total milled 1,514.

Financial Results: Total sales 11,516, Total production 13,019, Total milled 15,019.

Uranium Oxide: Total sales 588, Total production 587, Total milled 231.

Development: Advances 7,327, Channel width 112, Channel depth 31.4, Channel width 16.42, Channel depth 0.42, Channel width 15.27.

Capital Expenditure: Total 2,343, Advances 2,343, Channel width 1,316, Channel depth 1,027.

Operating Results: Total sales 5,817,000, Total production 4,578,000, Total milled 19,205,000.

Financial Results: Total sales 12,010, Total production 13,990, Total milled 15,770.

Uranium Oxide: Total sales 588, Total production 587, Total milled 231.

Hill Woolgar progress

Sir Peter Roberts, chairman of Hill Woolgar and Co., a licensed dealer in securities, says that the company continues to enjoy a high level of inquiries for its services.

Although the company will be selective in its approach to each inquiry, the chairman believes that there are sufficient acceptable opportunities available at the present time to maintain this trend.

In the period March 29 to December 31 1981 the company showed a pre-tax profit of £93,000.

Referring to the Unlisted Securities Market, the chairman says that at the time of its launch in November 1980 it com-

Scottish Mortgage steady

GROSS investment income at Scottish Mortgage was £7.7m, mainly higher at £7.7m, against £7.65m, for the year ended March 31 1982.

Pre-tax revenue was down slightly at £6.19m compared with £6.23m. Tax took £2.37m (£2.24m) and stated earnings per 25p share dropped from 5.44p to 5.35p.

As predicted at the interim stage, the directors say that earnings show some reduction because of the movement of funds in the last two years into stocks offering higher growth prospects but lower immediate yields.

The effect of such moves already made will continue to be felt in the current year, say the directors, although it may be materially offset by income from the investment in bonds.

The final dividend of 5.2p net, which is a 1.1p increase on the interim dividend, is payable on May 18, at noon.

BTR looking for further profits growth

Despite clouded world prospects, plans and executives remain for further growth in profits of BTR from its operations in the interim report of this energy, engineering, materials handling, plastics and rubber group.

Should an increase in volume of business fail to mature, then a further realignment of assets will contribute to those productivity benefits already gained.

Anglian Water

East Anglian Water has received £3.8m worth of applications for its £2m 9 per cent redeemable preference stock offered by way of tender.

The investment price to obtain a partial allotment was £100. Average price obtained was £100.4. Dealings in the stock will start today.

Brokers in the issue were Seymour Pierce.

HAWKER SIDDELEY

Stated earnings per 25p share improved from 35.2p to 40.1p in 1981. The year's dividend is being raised by 1.1p to 9.3p net per share, with a final of 5.6p in yesterday's report, the earnings figures were incorrect.

SOUTHVAAL HOLDINGS LIMITED AND THE AFRIKANDER LEASE LIMITED

The attention of shareholders of these companies is directed to the report of Vaal Reefs Exploration and Mining Company Limited.

ANGLO AMERICAN CORPORATION OF SOUTH AFRICA LIMITED

NOTE DEVELOPMENT: Development values represent actual results of sampling, no allowances having been made for adjustments necessary in estimating ore reserves.

The Orange Free State Group's results appear on another page of this newspaper. Copies of these reports will be available on request from the offices of the Transfer Secretaries.

Charter Consolidated P.L.C., PO Box 103, Charter House Park Street, Ashford, Kent TN24 8EQ.

LONDON OFFICES: 40 HOLBORN VIADUCT, ECLIP 1AJ

A SATISFACTORY YEAR
 TOTAL FUNDS EXCEED
£1,675,000,000
 TRUSTEE SECURITIES AND CASH
£385,000,000
 RESERVES
£64,000,000
 THERE IS NO SAFER BUILDING SOCIETY

(Summarised from the 1981 Britannia Building Society Annual Report by the Chairman, Sir Hubert Newton M.A.)

Can Parliament give us a rest from legislation?

The effect of legislation puts an added burden on employers at a time when energies and skills should be concentrated on fighting the recession.

Two eminent economists, Robert Miller and John B. Wood point out that:

"National Insurance contributions and employment protection legislation both have the undesirable effect of inflating the gross costs to employers and at the same time reducing the net wages of employees. This results in a reduction in the demand for labour.

Companies must attempt to fulfil the provisions of: The Employment Protection Act (Consolidating) 1978; The Redundancy Payments Act 1965; The Equal Pay Act 1970; The Health and Safety at Work Act 1974; The Social Security Acts 1975/82; The Trade Union and Labour Relations Act 1976; The Sex Discrimination Act 1975; The Race Relations Act 1975.

All these impose obligations and costs upon employers. Additionally, the Consumer Protection Acts, Housing Act 1980, Monopolies and Mergers Act, Restrictive Practices Court, Office of Fair Trading and Directives from the Parliament of the EEC can be quite unreasonable and very time consuming relative to the practical issues involved.

The sooner employers are allowed to get on with the job and are given more encouragement to further real productivity, the closer we shall be on the road to recovery.



Chief Office: Newton House, Leek, Staffs. ST13 5RG. Telephone: Leek 385131

Royal Dutch/Shell spending £4.8bn

IN HIS annual review Sir Peter Baxendale, chairman of the Shell Transport and Trading Company, tells members that for the current year capital expenditure of the combined Royal Dutch/Shell Group is expected to rise to £4.8bn. This is compared with £3.6bn in 1981.

The directors of this oil, natural gas, chemicals, coal concern, say that U.S. subsidiary Shell Oil's plans are that some 70 per cent of their 1982 expenditure will be on exploration and development of domestic resources.

Shell Canada is increasing its expenditure while for other group companies they plan to increase their exploration and production programme: some 60 per cent of total expenditure will be directed to the North Sea.

A large increase is planned in manufacturing, directors state, mainly related to new upgrading and conversion facilities in West Germany, Curacao and Singapore.

The chemicals side anticipates higher expenditure because of

costs on the Mossman ethane cracker in the UK, but apart from this, the underlying level will be below previous years.

The allocation to the sector will remain at about the 1981 level, while that on metals will increase sharply in relation to projects in Australia and Brazil.

As reported on March 12 net income of the Royal Dutch/Shell Group showed a reduction from £2.23bn to £1.5bn for the year ended December 31 1981. But excluding the effects of FIFO method of inventory and FAS 8 currency translation and conversion, income at £1.51bn was just behind the £1.55bn for 1980. Net income for Shell Transport and Trading amounted to £688.7m (£863.8m).

Balance sheet of the group shows fixed assets of £17.33bn (£14.82bn), net current assets £5.12bn (£4.51bn), total capital employed £20.25bn (£17.77bn), and net assets of £13.19bn (£12.04bn).

Meeting: Shell Centre, SE, May 19, 11.30 am.

Harrison Cowley downturn

ATTRIBUTING the drop in results to the state of the economy and to the loss of the large Renault account, directors of Harrison Cowley (Holdings), advertising concern, announce taxable profits of £520,000 for 1981, compared with £924,000, from turnover down from £20.98m to £15m.

Mr David Harrison, chairman, however, says the cash position continues to be healthy and he is confident about the group's progress; the dividend is maintained at 3.85p net with a same-again final payment of 2.45p.

Mr Harrison adds that although significant savings in costs were made and a substantial number of new accounts have been gained, it will be 1982 before the adverse effect of the Renault loss has been eliminated.

At the halfway stage profits had fallen to £270,000 (£813,000) and the chairman said that it would be unwise to make any firm forecast.

After the year's tax charge of £276,000 (£387,000) and an extraordinary debit of £16,000 (£47,000) — expenses relating to Stock Exchange listing — the attributable balance came through at £228,000 against £490,000.

Earnings per share are shown as 4.9p (10.5p) and on a CCA basis, which reduces the pre-tax profit to £426,000 (£509,000), they are given as 3p (8.2p).

Rise for TR Australia Inv.

IN the half year to February 29 1982, TR Australia Investment Trust made taxable profits of £383,362, compared with £384,906, on total revenue which rose from £514,016 to £559,123.

The interim dividend is being maintained at 1.6p net per 25p share and the directors forecast a final of not less than last year's 1.8p. Earnings per share are given higher at 1.8p (1.71p). Tax took £122,615 (£117,129).

NABISCO SEEKS LONDON QUOTE

Nabisco Brands, the U.S. food products company, is seeking a London listing for its shares. The company expects to be admitted to the official list in mid-May.

The listing is sponsored by N. M. Rothschild and Sons and Hoare Govett.

The company had been planning to seek a London listing before it made its recent bid for the shares of Huntley and Palmer Foods, which has been referred to the Monopolies Commission.

BICC drive for UK efficiency

ACTIONS TAKEN to strengthen UK efficiency is expected to improve BICC's performance this year and make an important contribution to the group's overall profitability, says Sir Raymond Pennock, chairman, in his annual statement.

Internationally, slower growth is expected in those areas where the group has major operations. But the chairman expects the group to benefit from the recent acquisitions in the electronics sector, and in the medium term satisfactory gains are expected from initiatives already taken in optical fibres.

Sir Raymond says that the company is now well set to take advantage of improved competitiveness in its traditional businesses and faster growing prospects from the new activities.

Group results for 1981, as reported on March 25, showed pre-tax profits 37 per cent higher at £101.5m. This result reflected a continued strong performance by overseas cable making activities more than offsetting lower UK profits.

The chairman says that within the UK priorities centred on minimising the effect on profits of lower sales volume, improving competitiveness and expanding exports to markets such as the Middle East, where the industrial infrastructure is growing fast.

The potential for higher UK profit from increased productivity remains high and will be developed still further by continuing improvements in efficiency this year. Sir Raymond says that steps taken to rationalise the UK businesses and to dispose of businesses outside mainstream activities "leave us well poised to benefit from any market upturn."

Overseas the scene is different

Thomas Marshall steady

A MARGINAL increase from £847,000 to £864,000 in pre-tax profits is reported by Thomas Marshall and Company (Loxley) for 1981. There was also a modest increase in turnover, which rose from £18.11m to £18.14m. The final dividend is raised from 1.575p net to 1.6p for a total up from 2.775p to 2.8p.

The directors of this manufacturer of freclay refractories say 1982 began with a rapidly deepening recession throughout North America, payment problems in the Comcon, Africa and Turkey, and political uncertainty in Argentina and the Middle East.

They say the markets of com-

petitors in Germany, France and Japan are declining, and international competition consequently increasing. The number employed has dropped still further from an average of 929 in 1980 to 735 in 1981. Even so, some employees are on short time.

It is not possible, say the directors, to make an optimistic forecast, but this does not imply that a maintained dividend for 1982 is at risk.

Tax for the year was £11,000 higher at £228,000. There was an extraordinary debit of £81,000 against £174,000. Stated earnings per 25p share were little changed at 11.3p (11.2p).

Rush & Tompkins' £1.7m

FOLLOWING its turnaround at midway, from losses of £773,000 to £463,000 profits, Rush & Tompkins Group, property investment, building and civil engineering company, ended the 1981 year £1.7m in the black at the taxable level. Comparative figure was a £795,000 loss which was after an exceptional debit of £1.22m.

Pre-tax profits for the year were struck after expenses of £370,000 (£347,000) and interest charges, which were much lower this time at £891,000, compared with £1.15m.

Stated earnings per 25p share are 12.3p (8.6p loss) and the dividend is increased to 4.25p (3.75p) net with a final distribution of 2.75p.

At the interim stage the directors said that in spite of an interruption to the company's progress in 1980, they looked forward to a satisfactory result in 1981.

Turnover for the period amounted to £34.24m (£32.6m), and net rents were £1.58m, against £1.63m.

Tax charge was £318,000 (£27,000), minorities £24,000 (£57,000), and after extraordinary items, the attributable balance was £1.32m, compared with a £1.44m loss.

Net assets per share, as at December 31, are shown as 337p (332p), and a property valuation at the year end gave a total of £38.71m.

Spencer Gears jumps

Pre-tax profits of Spencer Gears (Holdings), general engineer and manufacturer of industrial gears, jumped from £54,000 to £193,000 for the half year ended December 31 1981, on turnover ahead to £3.61m, against £3.1m.

And the interim dividend is increased to 0.3p (0.25p) net per 5p share — last year's final payment was 0.5p.

Business has continued at a high level in the second six months and the directors say it should ensure satisfactory trading results for the full year.

They state that the improvement in the first half was because of the continuing success of Southern Industries (Croydon) and Southern Industries (Coolers).

The benefit of disposal of company's heavy loss-making subsidiary, Spencer Gears Ltd, will be felt in the last quarter of 1981-82, directors say.

Profits for the first half were after interest charges of £151,000, against £135,000, and were subject to tax of £39,000 (nil), and an extraordinary debit of £14,000 (nil).

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COMMODITIES AND AGRICULTURE

Companies and Markets

EEC farm prices talks suspended

BY LARRY KLINGER IN LUXEMBOURG

THE EUROPEAN Community's Agriculture Ministers yesterday suspended their talks on new guaranteed price rises for Europe's 7.5m farmers after considerable further progress. But again they had to accept that no final decision could be taken until there was paralled progress on the issue of Britain's EEC budget contribution.

The ministers are provisionally scheduled to meet again next Wednesday and Thursday, immediately after Tuesday's special round of Foreign Ministers convened to seek a solution to the question of limiting Britain's EEC payments.

However, there was less than universal enthusiasm for such a quick resumption of the farm price negotiations if the budget talks again end in deadlock.

Most of the Agriculture Ministers are convinced that, without the budget link, only one more meeting will be needed to tie up a farm price package. But several countries

expressed fears that their broad agreement could become unravelled by meeting when a final decision was still not possible.

In the end, the decision on when to resume was left to Mr Paul de Keersmaecker, the Belgian Agriculture Minister, who is not only the current president of the Agriculture Council but will also attend the Foreign Ministers' meeting as Belgium's Minister for European Affairs.

Britain, which refuses to ratify any overall price package without a satisfactory budget deal, managed to escape being labelled the villain of the piece as several disagreements remain between other countries over aspects of the agriculture proposals.

It was clear, however, that Britain is prepared to scale down significantly its opposition to what almost certainly will be a record farm price award of around 12 per cent and to proposals for special aid measures for small farmers in the

controversial dairy sector. Dairy farms produce a 20 per cent surplus over EEC consumption, but account for a third of Community spending on maintaining guaranteed prices.

Britain is still likely to query the European Commission's method of calculating the cost of its compromise package, which proposes a general farm price increase of 10.5 per cent at a projected 1982 budgetary cost of around £37m.

Mr Buchanan-Smith, the British Minister of State for Agriculture, said that the Commission's cost projections were being studied and that Britain already had some reservations.

On the other hand, Mr Buchanan-Smith's remark made clear that although resigned to a record overall price award, Britain was still seeking the "utmost restraint" on prices. He refrained from criticising the level of the current compromise. Britain had originally called the Commission's initial 9 per cent proposal inordinately high.

Referring to the overall state of the talks Mr Buchanan-Smith said: "All the ingredients of a solution are there."

A significant sign of the broad measure of agreement which has been reached was that none of the ministers quarrelled with Mr de Keersmaecker's summary of the positions.

Mr de Keersmaecker said that five main issues remained outstanding. Whereas only a fortnight ago concrete proposals could not even have been made in some areas, all were now in sight of resolution.

The most contentious issues were the new financial arrangements for wine-growers and Mediterranean producers of fruit, vegetables and olive oil as well as the question of special aid for countries with high inflation, particularly Greece.

The difficulties in these areas were considerable, Mr de Keersmaecker said, but their solution had reached an advanced stage.

Copper rise after strike in Peru

By John Edwards, Commodities Editor

COPPER PRICES rose on the London Metal Exchange yesterday following news that Southern Peru Copper is to cut deliveries of copper blister and cathodes because of a shut-down of its 110 smelter by a strike.

Production at Southern Peru's smelter and its 110,000 tonnes a year Toquepala mine has been halted by a strike by 3,400 workers demanding higher pay and the reinstatement of dismissed colleagues. The cut-back in deliveries will initially apply only on orders for up to 2,000 tonnes of cathodes, but is expected to be extended if the strike continues.

The cash price of higher-grade copper closed 55.25 higher at \$86.75 a tonne. In contrast, other metal values were generally easier. Cash tin lost \$3.5 to £7.05 a tonne in spite of support buying, believed to be on behalf of the International Tin Council buffer stock. The Council's London talks were adjourned again yesterday with no decision reached on producers' demands for proportionate export control. West Germany and the UK are said to be still opposed to export curbs.

On the London gold futures market, turnover was 1,166 lots of 100 troy ounces each, with trading activity subdued by lack of fresh developments in the Middle East or Falklands Islands crisis.

The RATE of decline in liquid milk consumption in England and Wales continued at a low level last month. Figures published yesterday by the Milk Marketing Board show that sales of milk of farms for liquid consumption in March fell only 0.7 per cent compared with the same month last year. This followed declines of 0.4 per cent in January and 1 per cent in February.

It had been feared that January's 1 1/2 per cent price rise might result in a sharpening fall in milk sales as it did last year when a similar increase was followed by sales cuts of 2.8 per cent in January, 2.5 per cent in February and 1.6 per cent in March.

It has been suggested that the relative strength of demand this year reflects the impact of the "Gotta Lotta Bottle" advertising campaign.

FARMER'S VIEWPOINT Pleasing the housewife

By John Edwards, Commodities Editor

WE FARMERS are repeatedly told we should produce what the housewife wants. But it is not easy.

I have no fruit or vegetables on the farm and, therefore, no opportunity of providing pick-your-own facilities. So I have no direct means of knowing just what the housewife needs in the food I produce for sale.

In fact, I have seldom come face to face with my one. My lone effort of entertaining a town family on the farm was in the end counter-productive. I showed them my pig unit from birth to pork and extolled the virtues of loof lean carcasses. A month later I met the mother of the family who tight-lipped told me that her family was split by one daughter having embraced vegetarianism from the moment of the realisation about the natural end of farm animals. "Have you ever, Mr Charrington," she asked, "had to cook separate meals?" So much for the possibility of mutual education.

But I am made aware of what those who supply the housewife think she needs. They lay down the type and quality of the carcasses they wish to buy and attempt to compel farmers by price differentiation to produce the ideal animals. In this they have been very successful. The proportion of pigs and sheep which reach the highest grading standards has risen quite substantially over the years, particularly with pigs.

That the buyers are ever satisfied. They are always pressing for another millimetre of a pig's back fat for the top grade; for less fat cover on a lamb, and so on. As the buyers have the money they are in the drivers' seat. But many farmers think they don't get a fair deal when selling at grade and dead weight direct to a slaughterhouse. There is something very focal about carcass grading.

This feeling of being unfairly treated accounts in part for the resurgence of selling by farmers through the livestock auctions. Auctions have been losing their popularity and are comparatively expensive in auctioneer's commission, etc. But grading standards are lax or non-existent, and payment is prompt, which is more than can be said for some wholesalers.

It is naturally upsetting if a farmer goes to a livestock market, and sees the mao he had sold his lambs to, subject in grade, buying freely ungraded stock on offer at prices often higher than those at which he sold. They can also make less money, but human nature being what it is, only the worst facts of the case are remembered.

The problem with selling by grade and deadweight is that animals are living things. In spite of some very effective breeding programmes each develops in a different way. Just as with humans, a number will be good liver and get too fat on the same feed while others will remain lean and hungry to the end.

In a perfect world, of course, farmers should not be determining the grade of an animal while still alive and only send the top grade to the market, but he would then be left with the rest. It is not practical to thin down an over-fat animal. The only thing to do is to sell through the livestock auctions which can sort out the carcasses which end up next to its over-graded brothers.

That this happens very frequently is because in the last resort the buyers — the suppliers of supermarkets and so on — are subject to the laws of supply and demand. If they cannot find enough of the top grade, they have to buy at an offer even if it costs more money than they have had to pay direct for top quality meat. It is also a fact that in the end

the prices paid by the whole sales are made up of deadweight affected by many different influences. It is impossible in fact to control the British market because it is a terminal one.

Countries supplying the British market don't suffer from the same problems. The Danish market is held up as an example to be followed, as is that of the New Zealanders with lambs and the Dutch and others with horticulture.

The Danes grade their pigs for export most strictly and the poorer grades passing are either sold on the home market or exported elsewhere in the shape of other products. The farmers in Denmark do suffer, therefore, if their stock fails to make the grade as do all other supplier farmers who share an export bottleneck. This discipline has been going on so long that farmers can't remember anything else.

But it would be almost impossible to make the same system work here. Just think of the outcry if it were found that we were turning vegetables into compost or rendering perfectly good pigs down to adulterated as a means to maintain good marketing standards. Nor is it sensible to expect the buyers to commit themselves far in advance to paying a certain price for a certain grade.

I have always taken a pragmatic line. Years ago, I was contacted by a wholesaler who wanted some out-of-season lambs. I had none but I had some old Welsh ewes in quite good order which weighed about the same as lambs. I offered him these at the lamb price which as he had no alternative he had to pay. Ensuring that the buyer has no alternative is, I think, the ideal marketing strategy.

John Cherrington

Trade sales hit cocoa market

By Our Commodities Staff

SIGNS OF further producer selling depressed cocoa values on the London futures market again yesterday and the May position ended the day £20.50 down at £19.50 a tonne—the lowest level since June last year.

Dealers said a thin market was featured by trade selling which they thought might represent hedging against new producer sales. No details could be confirmed, they said, but it was suggested weakness of the French franc to the morning may have encouraged sales from ex-French West African colonies such as the Ivory Coast and the Cameroons. There was also talk of Nigerian selling.

Overnight speculative selling in New York was followed through on the London market, traders added. They saw a little industrial offtake, but not nearly enough to reverse the depressed market tone.

The main influence on this remained disappointment at the failure of the International Cocoa Organisation to adopt effective market support measures. It was heightened by lack of news on a \$75m dollar loan from a group of Brazilian banks.

Grain export subsidies attacked

By Nancy Dunne in Washington

EEC export credit subsidies are coming under continued criticism at the meeting of the grain exporting nations in Ottawa yesterday with world wheat stocks at their highest levels in three years and demand depressed by recession.

The U.S. delegation, led by Mr Seelye G. Lodwick, Under-Secretary of Agriculture, is complaining that other countries have taken advantage of U.S. policies to reduce grain supplies. The U.S. is pushing for joint action by other producers—Canada, Australia, Argentina and the EEC.

U.S. officials want the EEC to hold larger grain stocks off the market and they say that the proposed increase in European price support will only stimulate more surplus production.

The EEC is also expected to come under severe criticism from other countries for its export credit subsidies policies. "I hope we are not on the verge of a credit war," Mr Lodwick said on leaving Washington. "But the United States is very firm on its desire to export agriculture products and to meet the competition."

Mr Lodwick said the U.S. was under "mounting pressure" to institute subsidies or other government-backed credit to counter EEC export subsidies. But the threat of government subsidies, voiced by several American officials over the past two

Indian shortfall forecast

By D. P. KUMAR IN NEW DELHI

credit subsidies, officials at the U.S. Department of Agriculture are circulating working papers on proposed subsidies for various commodities.

Under the farm legislation passed last year, the Secretary of Agriculture was required to develop a special stand-by export subsidy programme "to neutralise the effects of subsidy programmes instituted by foreign countries."

The programme would be the responsibility of the Commodity Credit Corp., which was short of funds earlier this year. It could be initiated only after the President failed to reach a mutually acceptable legal resolution of the issue.

Copper rise after strike in Peru

By John Edwards, Commodities Editor

COPPER PRICES rose on the London Metal Exchange yesterday following news that Southern Peru Copper is to cut deliveries of copper blister and cathodes because of a shut-down of its 110 smelter by a strike.

Production at Southern Peru's smelter and its 110,000 tonnes a year Toquepala mine has been halted by a strike by 3,400 workers demanding higher pay and the reinstatement of dismissed colleagues. The cut-back in deliveries will initially apply only on orders for up to 2,000 tonnes of cathodes, but is expected to be extended if the strike continues.

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It had been feared that January's 1 1/2 per cent price rise might result in a sharpening fall in milk sales as it did last year when a similar increase was followed by sales cuts of 2.8 per cent in January, 2.5 per cent in February and 1.6 per cent in March.

It has been suggested that the relative strength of demand this year reflects the impact of the "Gotta Lotta Bottle" advertising campaign.

Slight drop in milk sales

By Our Commodities Staff

THE RATE of decline in liquid milk consumption in England and Wales continued at a low level last month. Figures published yesterday by the Milk Marketing Board show that sales of milk of farms for liquid consumption in March fell only 0.7 per cent compared with the same month last year. This followed declines of 0.4 per cent in January and 1 per cent in February.

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Anxiety over Danish pigmeat imports

By Our Commodities Staff

BRITISH PIG producers are worried that Danish pigmeat, banned from the U.S. and Japanese markets because of the current foot-and-mouth disease outbreak, could flood onto the UK market with disastrous effects on their incomes.

Mr Jim Blanchard, chairman of the National Farmers' Union pig committee, is leading a delegation to Brussels to ask the EEC Commission to take the surplus supplies of the market. He said before leaving that the cost would be small compared with the losses reduced British

Price changes

In tonnes unless otherwise stated.

Table with columns: Commodity, Apr. 22 1982, + or -, Month ago. Includes items like Wheat, Barley, Oats, etc.

Gold markets

Gold rose \$2 to \$343.3441 in quiet London bullion trading. It opened at \$344.545 and touched a peak of \$345.347. The metal was fixed at \$343.525 and was fixed at \$344.75 in the morning, and \$345.00 in the afternoon. In Paris the 12 1/2 kilo gold bar was fixed at FF 69,000 per kilo (\$343.04 per ounce) in the afternoon, compared with FF 69,000 (\$343.04) in the afternoon, and FF 69,000 (\$343.04) on Wednesday afternoon.

Table with columns: Commodity, Price, Change. Includes Gold Bullion (fine ounce), Gold Bullion (12 1/2 kilo), etc.

BRITISH COMMODITY MARKETS

BASE METALS

COPPER PRICES MOVED AHEAD on the London Metal Exchange by Southern Peru. Aiding the upward trend was increasing concern over the Falkland Islands and 100,000 tonnes of the weekend approach. Three months copper rose in close to the day's high of £85.5. Lead was heavily \$35.5, with zinc rising to £27.5. Tin advanced to £425.5, after £425. Tin advanced to close at £73.15. Tin advanced to close at £73.15. Tin advanced to close at £73.15.

COFFEE

A firm New York close inspired a sharp rise in London coffee prices through support prompted dealer selling in light volumes, reports Oreste Summan, London.

GRAINS

The London physical market opened steady with mixed lots delivered through the day and closed flat. Lewis and Peat recorded a May bid price for No. 1 R35 in Kuala Lumpur of 287 (181.5). R35 in Kuala Lumpur of 287 (181.5). R35 in Kuala Lumpur of 287 (181.5).

SOYABEAN MEAL

The market opened with small losses in dull conditions ahead of stock offers. The market opened with small losses in dull conditions ahead of stock offers. The market opened with small losses in dull conditions ahead of stock offers.

MEAT/VEGETABLES

MEAT COMMISSION—Average prices for fresh meat in London. Beef: 100.0 to 112.0, medium 112.0 to 112.0, heavy 112.0 to 112.0. Pork: 100.0 to 112.0, medium 112.0 to 112.0, heavy 112.0 to 112.0.

PRICE CHANGES

Table with columns: Commodity, Price, Change. Includes Wheat, Barley, Oats, etc.

LONDON FUTURES

Table with columns: Commodity, Price, Change. Includes Wheat, Barley, Oats, etc.

AMERICAN MARKETS

Table with columns: Commodity, Price, Change. Includes Wheat, Barley, Oats, etc.

INDICES

FINANCIAL TIMES

Table with columns: Date, Index Value, Change. Includes April 21, April 20, April 19, etc.

MOODY'S

Table with columns: Date, Index Value, Change. Includes April 21, April 20, April 19, etc.

DOW JONES

Table with columns: Date, Index Value, Change. Includes April 21, April 20, April 19, etc.

REUTERS

Table with columns: Date, Index Value, Change. Includes April 21, April 20, April 19, etc.

WOL FUTURE

Table with columns: Date, Index Value, Change. Includes April 21, April 20, April 19, etc.

VEGETABLE OILS

Table with columns: Date, Index Value, Change. Includes April 21, April 20, April 19, etc.

POTATOES

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WOL FUTURE

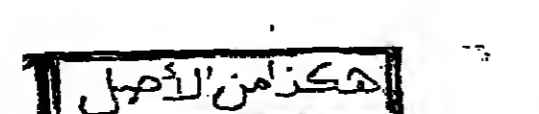
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POTATOES

Table with columns: Date, Index Value, Change. Includes April 21, April 20, April 19, etc.



Companies and Markets

INTERNATIONAL COMPANIES and FINANCE

Downturn in first quarter at Sohio

By Our New York Staff
STANDARD OIL of Ohio (Sohio), the large U.S. oil company which is 63 per cent owned by British Petroleum...

American Airlines denies anti-competitive charges

By PAUL BETTS IN NEW YORK
THE U.S. Government is currently investigating possible anti-competitive practices by American Airlines...

that "the investigation will centre on the alleged illegal activities of American Airlines to monopolise the Dallas-Fort Worth regional airport in order to force up fares."

closed any conclusions to its investigation. American Airlines, meanwhile, has incurred substantial first quarter losses, writes Richard Lambert in New York.

Sharp rise for oil services group

By Our New York Staff
SCHLUMBERGER, the U.S. oil services and electronics group, has achieved a 31 per cent increase in first quarter net income to \$254.4m or \$1.21 a share, compared with \$271m or 94 cents a share in the same period last year.

J. P. Morgan in \$250m Euromarket FRN launch

By PETER MONTAGNON, EUROMARKETS CORRESPONDENT
J. P. MORGAN yesterday launched a \$250m, 15-year floating rate note in the Euromarket. The debt is being raised on a subordinated basis...

World Airways report qualified

By Our New York Staff
ANOTHER U.S. airline has had its annual report heavily qualified by its auditors. Peat Marwick Mitchell and Co. says that World Airways may be unable to continue as a going concern because of its heavy losses in recent years...

Chrysler cheerful on outlook

By RICHARD LAMBERT IN NEW YORK
CHRYSLER was in good shape and getting better by the day, Mr. Lee Iacocca, chairman and chief executive, said yesterday.

Chrysler had cut its break-even point to half the level of 1979, Mr. Iacocca said. Its debt-equity ratio had improved from 6:1 to 4:1, and its cash and marketable securities had risen to an all-time high of \$900m.

years time, all its car lines would be front-wheel drive. Mr. Iacocca repeated earlier forecasts that the company would make an operating profit in the range of \$150m this year...

Lockheed gain after excluding TriStar

By Our New York Staff
LOCKHEED has turned in net operating earnings of \$255m in the first quarter of this year. Comparable earnings from continuing operations in the same period last year totalled \$30.1m.

London Interstate Bank registers steady growth

By OUR BANKING CORRESPONDENT
PRE-TAX profits of London Interstate Bank, smallest of the London consortium banks, increased by 15 per cent to £17.3m (\$12m) in the year to end March. Assets rose by 28.5 per cent to £134.3m.

Energy group plans takeovers

By our New York Staff
DIAMOND SHAMROCK, the diversified U.S. energy company, said it was considering a series of acquisitions and joint ventures to strengthen the company's long-term potential.

NORTH AMERICAN QUARTERLY RESULTS

Table with columns for company name, quarter, revenue, net profit, and net per share. Includes companies like ACI INDUSTRIES, AIR PRODUCTS AND CHEMICALS, ALBERTA-CULVER, etc.

Table with columns for company name, quarter, revenue, net profit, and net per share. Includes companies like CABOT CORPORATION, DIGITAL EQUIPMENT, INTERLAK INCORPORATED, etc.

Table with columns for company name, quarter, revenue, net profit, and net per share. Includes companies like IOWA-RESOURCES, KENAMETAL, KENAMETAL, etc.

Table with columns for company name, quarter, revenue, net profit, and net per share. Includes companies like PFIZER INCORPORATED, POPE AND TALBOT, R. J. REYNOLDS INDUSTRIES, etc.

Table with columns for company name, quarter, revenue, net profit, and net per share. Includes companies like ROYAL TRUSTCO, RYDER SYSTEM, SANTA FE INDUSTRIES, etc.

Table with columns for company name, quarter, revenue, net profit, and net per share. Includes companies like STAUFFER CHEMICAL, STAUFFER CHEMICAL, STAUFFER CHEMICAL, etc.

Table with columns for company name, quarter, revenue, net profit, and net per share. Includes companies like SWISS FRANC STRAIGHTS, SWISS FRANC STRAIGHTS, SWISS FRANC STRAIGHTS, etc.

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices which will be published next on Wednesday May 12.

Large table listing international bond issues with columns for issuer, amount, maturity, and yield. Includes entries like U.S. DOLLAR STRAIGHTS, OTHER STRAIGHTS, CONVERTIBLE, etc.

Deficit increases for French steelmaker

BY DAVID WHITE IN PARIS

USINOR, France's biggest steel producer, has reported a net loss of FFfr 3.9bn (\$623m) for last year, FFfr 500m more than it forecast in December.

The loss, more than three times the 1980 figure of FFfr 1.2bn, comes after the announcement of a FFfr 2.8bn deficit at the number two company, Sacilor.

Both companies were placed under new chairmen in February after passing formally under state control through the conversion of their outstanding debts into shareholdings.

Financial charges accounted for FFfr 1.3bn of Usinor's deficit. The figure also reflected a depreciation charge of FFfr 961m and new provisions of FFfr 651m. Contractual obligations to subsidiaries accounted for FFfr 324m out of the total for financial costs and depreciation.

The accounts include an extra cost of FFfr 489m on foreign currency loans which still have to be repaid, following the decline of the French franc against the U.S. dollar and other major currencies.

The company is proposing to draw on reserves to cover FFfr 3.4bn of the total deficit.

French steel production, now concentrated in these two groups following a reorganisation of special steels, has continued to decline slightly after falling 8 per cent last year to 21.2m tonnes. Despite a slight upturn in March, first quarter output was 0.5 per cent down on the same period last year at 3.4m tonnes.

Rhone-Poulenc to keep N. American presence

BY OUR FINANCIAL STAFF

RHONE-POULENC, the French chemicals group, plans to maintain a presence in North America despite the severing of trading and financial links with Moreton-Norwich of the U.S.

Rhone, which made a loss for 1981 on sales totalling FFfr 35.9bn (\$5.74bn) is to pursue this policy through acquisitions, and what it describes as associations with other partners.

The French company is ending its connection with Moreton under an agreement announced earlier this month. The deal, which allows Moreton to buy back for \$135m the 20.3 per cent Moreton stake owned by Rhone has now been finalised, Rhone said yesterday.

The agreement with Rhone follows Moreton's decision to sell its pharmaceutical unit to Procter and Gamble of the U.S. Rhone had a trading and technology agreement with this unit.

The disposal of the shareholding in Moreton would throw up a capital gain of about FFfr 500m, Rhone said. It acquired the shares in 1978.

Although Rhone expects to return a further loss for 1981, it made it clear earlier this month that the deficit would show a "distinct" improvement over the FFfr 32m of 1980.

The health and agricultural divisions had played a part in reducing the year's deficit—due to be formally unveiled later this year—and so had Rhone's foreign operations which last year accounted for more than a third of turnover.

However, operating results had remained mediocre. Poor demand had made for unfavourable fertilizer trading. The textiles divisions had also continued to suffer from European over-capacity in man-made fibre and heavy reorganisation costs.

St Gobain looks healthier without Cii

By Our Paris Staff

THE ENDING of a 21-year experience as shareholder in the Cii Honeywell Bull computer company leaves the recently nationalised Saint-Gobain with a slightly healthier-looking profit record and a sales pattern considerably more geared to foreign markets.

After announcing on Wednesday its withdrawal from the Franco-U.S. computer manufacturer under the new shareholding arrangements negotiated between the French Government and Honeywell, Saint-Gobain published revised figures showing that without its computer interest it made a consolidated net profit of FFfr 450m (\$72m) in 1981.

This compares with FFfr 420m including its stake in Cii-HB, where it replaced the CGE group as the main French shareholder in 1979.

Operating results for its other activities—principally glass and steel pipe—show a decline of 8 per cent from 1980 at FFfr 1.8bn, against a steep drop of 38 per cent announced earlier.

The loss of the computer interest brings the 1981 turnover figure down from FFfr 51bn to FFfr 43.7bn, roughly in line with its total for the previous year, when it built up its stake in Cii-HB to ensure indirect control.

Whereas the French market accounted for 56 per cent of total sales including computers, it provided only 49 per cent without them. Overseas turnover in non-computer sectors included FFfr 6.2bn in direct exports from France, 28 per cent more than in 1980.

The group had earlier announced plans for a roughly stable investment programme at Cii-HB, totalling FFfr 1.5bn, but a sharp increase in its other industrial outlays to FFfr 4bn this year, against FFfr 2.5bn spent in 1981.

Rupert Cornwell probes the complex structure of an Italian bank

Ambrosiano: an enigmatic empire

By Rupert Cornwell

"AS A CATHOLIC, I'm worried about the image of Ambrosiano," said one. Another remarked anxiously about the unending spate of rumours which, he said, made the bank appear just a giant speculative machine.

"Forget it," said a third, clearly representing the majority. "Just look at the balance sheet—all the rest is gossip."

The speakers were shareholders (just three of an unprecedented 476 present) and the occasion was last weekend's annual meeting of Banco Ambrosiano. Today, the operations of Italy's second largest privately owned bank stretch far beyond the city where it started life in 1826 as Banco di Sant' Ambrogio, patron saint of Milan.

But as the first shareholders concern indicates, the peculiarly populist Catholic ideals which lay behind Ambrosiano's foundation remain close to the surface. Ambrosiano is still, above all deeply Milanese ("In Rome you just can't get the feel of it," commented a banker in the capital the other day). And its shareholders meeting was nothing so much as a gathering of the city's investors, anxious to be reassured about the affairs of their bank.

Real banker

By Rupert Cornwell

The uncertainties revolve around one man, Sig Roberto Calvi. Since World War Two, he has worked his way up—from a modest clerk to his position today as president and monarch of Ambrosiano. In the process, a sleepy provincial bank has grown to the point where it now sits astride the country's biggest financial empire outside the public sector.

To his admirers, he is a genius. "The only real banker in Italy," one of them put it. For his critics, he has travelled to the frontiers of legality, even beyond, to achieve his ends, his tracks lost in a maze of untravelling transactions, many of them outside Italy.

In a 1978 report, the Bank of Italy concluded after an inspection of Ambrosiano that



Sig Roberto Calvi

Ambrosiano's Italian operations are concentrated in the rich north. Apart from Toro and Credito Varesinno, La Centrale—Italy's only answer to a French Banque d'Affaires or a British merchant bank—also controls Banca Cattolica del Veneto. Specialising in dealings with north-eastern Italy's thriving small and medium industry, Cattolica is one of the country's most profitable banks, reporting earnings of L7.2bn (\$53m), up 42 per cent on 1980. Total assets of the "Calvi" banks reached L24,538bn (\$18.5bn) at the end of 1981.

Seven-man body

By Rupert Cornwell

In compliance with one Bank of Italy request, Ambrosiano has installed a seven-man executive committee—among them Sig Orazio Bagnasco, the emerging financier who replaced Carlo de Benedetti of Olivetti as Ambrosiano's vice-chairman after the latter's tumultuous 65-day tenure at Ambrosiano.

The composition of the committee is most conspicuous for the absence of Carlo Pesenti, himself head of a privately owned banking and financial group second only to Calvi. Rumours abounded that his recent arrival on Ambrosiano's board portended an alliance—no effective merger—between the two.

Calvi rules this out, and understandably so. The size of Ambrosiano has already caused enough trouble. To join forces with another banking group also linked to the Catholic establishment would probably cause more still.

Just how morally and physically sapped Calvi has been is hard to judge. His self-control is remarkable. Today he seems as forceful and determined as ever to run things his way whatever the talk of his demise. But the appeal still has to be heard, and in Italy anything is possible, not least where legal proceedings are concerned.

Even so, perhaps the most striking lesson of the last year is that with or without Calvi, Ambrosiano is doing fine.

Sulzer faces sluggish demand

By John Wicks in Zurich

SULZER BROTHERS, the Swiss engineering group, hopes to be able to keep 1982 earnings up to last year's levels. Sluggish demand for capital goods and a strong Swiss franc "would make it difficult" to improve on 1981.

Last year, profits had risen by 10 per cent to SwFr 32m (\$16.4m). Apart from 1980, this had been the lowest level of earnings for over 10 years. Turnover rose 6 per cent to SwFr 4,048m so return on sales was reduced to no more than 0.8 per cent.

It was possible that this year would see a slight increase in overall turnover. Should this prove to be the case, the profit margins would "become even slimmer".

Last year suffered from losses in France where business proved much less satisfactory than expected. The loss of Cie de Constructiun Mecanique Sulzer, jumped from FFfr 6.5m (\$1.04m) to FFfr 71m.

Other losses included a deficit of DM 11m (\$4.8m) on the part of the German division, and a loss of £2.6m (\$4.1m) by Sulzer Brothers (UK). The British loss resulted from divestment of its Hyde Packaging division.

Capital expenditure is again likely to fall in 1982. The group is, however, again intending to increase research and development spending, which in 1981 had reached SwFr 157m. It was concentrated on diesel engine and weaving machinery development.

Belgian steel group posts further loss

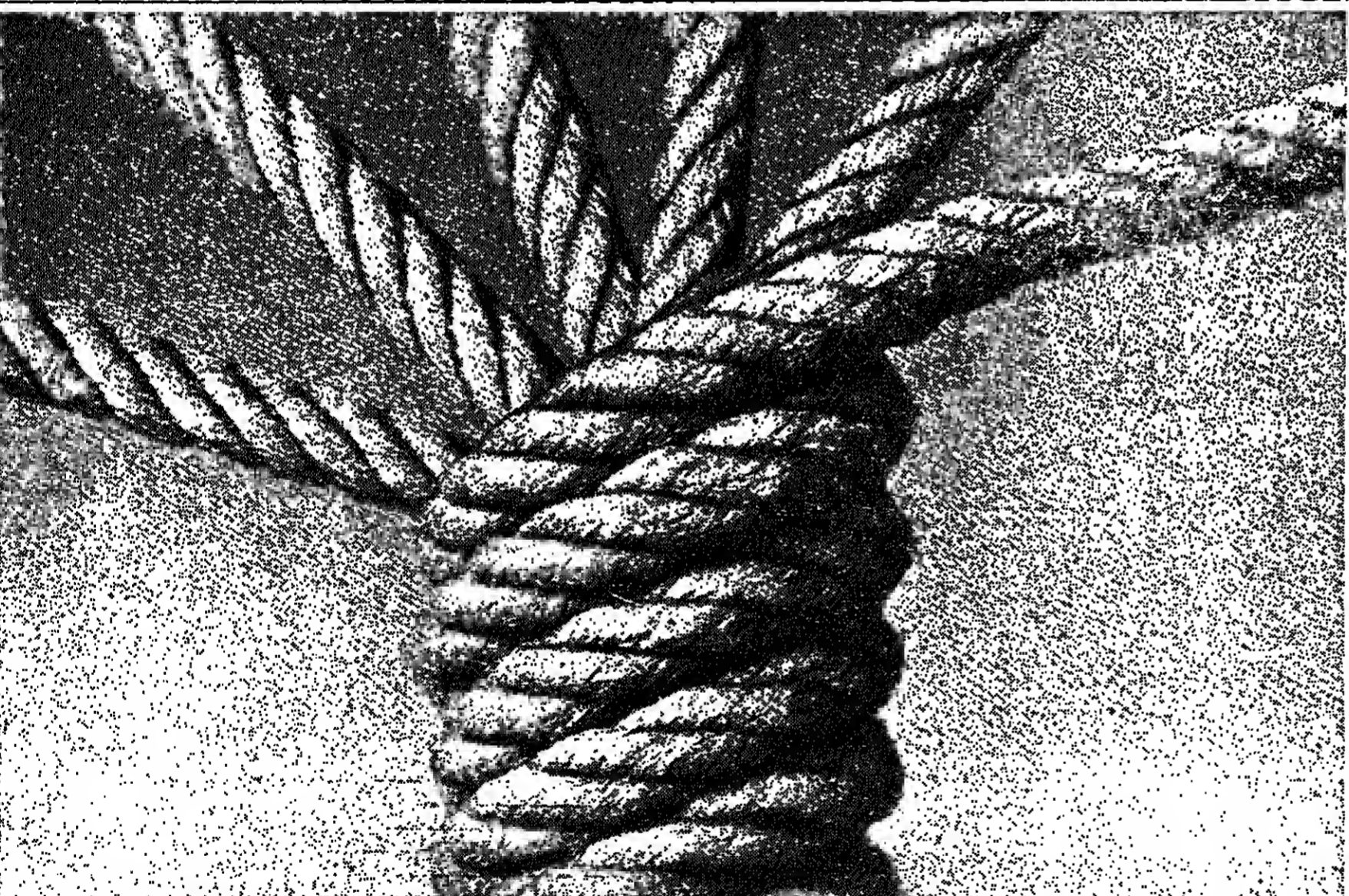
By Our Financial Staff

COCKERILL-SAMBRE, the Belgian steel company, lost Bfr 17.7bn (\$391.5m) in 1981, the company said.

The company was created last year when the Liege company, Cockerill, merged with the Charleroi group, Hainaut-Sambre, as part of the country's efforts to restructure its ailing steel industry. In 1980 the combined losses of the two companies were Bfr 12.3 bn.

Cockerill suffered most of the 1981 losses, or Bfr 11.8bn while the Charleroi operations recorded a Bfr 5.9bn deficit.

Cockerill-Sambre, which is mainly government-owned, has been at the centre of a political controversy over proposed restructuring plans. Last month saw violent demonstrations in Brussels by steelworkers protesting at the loss of jobs.



The European Source for Multimarket Finance

UNICO BANKING GROUP is one of the world's largest banking groups. With combined assets of some US \$ 360 billion and 36,000 offices, it is a one-stop source for guidance to the multimarket capabilities of the member banks.

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- GENOSSENSCHAFTLICHE ZENTRALBANK AG (Austria)
- OKOBANK OSUUSPANKKIEN KESKUSPANKKI OY (Finland)
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FINANCIAL HIGHLIGHTS (as expressed in millions of US dollars)

	1981**	1980**	1979*
Capital and reserves	127	157	177
Assets	170	190	205
Liabilities	170	190	205
Net worth of the year	72	72	72
Profit before tax	22	26	26
Profit after tax	15	18	18
Dividends	15	18	18
Interest income	15	18	18
Operating expenses	15	18	18

Peter Montagnon reports on a major borrower's shift in strategy

Spain seeks finer terms on bonds

SPAIN HAS joined the growing list of international borrowers which are seeking to get more mileage out of the international bond market...

GROWTH OF SPAIN'S FOREIGN DEBT (\$M total at end-year) Table with columns for 1977, 1978, 1979, 1980, 1981 and rows for Public sector, Private sector with public guarantee, Private sector, Total.

originally targeted. Within this original target the public sector had been expected to raise \$30n gross...

At the back of their minds is clearly the eventual possibility of floating a bulldog bond in the London market...

to correct what it perceives to be unfair assessment of its credit rating in the bond markets. "We have noticed..."

institutions. Lead managers are Merrill Lynch and Samuel Montagu. At the same time as Spanish borrowers are seeking to place greater emphasis on the bond market...

But the bond markets still pose a problem for Spain in that interest rates remain rather high for the contraction of fixed-rate debt...

Antony Gibbs shows £3m loss

BY ROBERT COTTELL IN HONG KONG

ANTONY GIBBS Holdings, the London merchant banking subsidiary of Hong Kong and Shanghai Banking Corporation, incurred a net loss of £3.1m (\$5.5m) in 1981.

statement: "We had hoped, and still believe, that partnership with the Royal Bank group would have assisted its development and would have provided both groups with an opportunity for international expansion."

with the previous year's US\$ 55.5m. Against a background of widespread expectations that U.S. interstate banking regulations will ease, Marine Midland expects to develop "enriched correspondent relationships" such as its investment in the Industrial Valley Bank of Philadelphia.

Daiei lifts earnings and sales

By Yoko Shibata in Tokyo

DAIEI, Japan's largest chain store operator and largest retailer, lifted unconsolidated sales and earnings in the fiscal year ended February 28, but both sales and earnings fell short of the original target.

Daiei's unconsolidated operating profits were ¥21bn (\$86.7m), up 5 per cent over the previous year. Unconsolidated net profits rose by 3.2 per cent to reach ¥9.6bn, on sales of ¥121.6bn (\$53bn), up 7.2 per cent over the previous fiscal year.

Strong advance at Straits Times

By George Lee in Singapore

GROUP PRE-TAX profit at the Straits Times Press (1979) rose by 29 per cent to \$912.7m (US\$3.9m) for the half year ended February 1982.

Umal and Smorgan vie for Australian glass group

BY IAN PERKIN IN MELBOURNE

UMAL CONSOLIDATED and Smorgan Consolidated Industries yesterday declared themselves as bidders for Glass Containers, Australia's only independent glassmaker.

Umal already has a 5.8 per cent stake in Glass Containers and the key to the success of either company's bid will be where Canada's Consumer Glass Company decides to place its 45 per cent holding in the local company.

Despite active expansion in its sales area achieved by opening eight new stores, Daiei experienced only single-figure growth in revenue, which it attributed to the general sluggishness of the economy, a shortfall in household income, and warm winter weather which depressed sales of winter clothing.

15th MAY 1982 REDEMPTION PROVINCE OF NOVA SCOTIA (CANADA) U.S. \$15,000,000 9% Bonds 1985

REDEMPTION OF BONDS The Province of Nova Scotia announces that for the redemption period ending on 15th May 1982 it has purchased bonds of the above loan for U.S.\$300,000 nominal capital which have been fully cancelled.

DRAWING OF BONDS Notice is accordingly hereby given that a drawing of bonds of the above loan took place on 6th April 1982 attended by Mr. Keith Francis Croft Baker of the firm of John Venn & Sons, Notary Public, when 1,200 bonds for a total of U.S.\$1,200,000 nominal capital would have been drawn for redemption at par on 15th May 1982 from which date all interest thereon will cease.

Large table of bond numbers for redemption, with columns for bond numbers and rows for individual bonds.

The above bonds may be presented for redemption at par on or after 15th May 1982 at the offices of the paying agents named on the coupons for payment in the manner specified in Condition 4 of the Terms and Conditions of the Bonds.

Principal Paying Agent: N. M. Rothschild & Sons Limited, New Court, St. Swithin's Lane, London EC4P 4DU. 23rd April 1982

The Bank of Tokyo, Ltd. Sutherland House, 3 Chater Road, Central Hong Kong. NEGOTIABLE FLOATING RATE U.S. DOLLAR CERTIFICATES OF DEPOSIT SERIES 102 DUE OCTOBER 24, 1983.

NOTICE BANCO DE LA NACION ARGENTINA US \$25,000,000 Floating Rate Notes due 1987. In accordance with the provision of the Notes, notice is hereby given that for the six-month interest period from 23rd April, 1982 to 25th October, 1982, the Notes will carry an interest rate of 15 1/2 per cent per annum and the Coupon amount per US\$5,000 will be US\$393.45.

A YEAR OF CONSOLIDATION. non-oil and gas operations spun-off to shareholders. repayment of UK Thistle Field related debt. increased exploration activity in North America, including participation in successful exploration drilling offshore the Gulf of Mexico.

U.S. \$100,000,000 National Westminster Finance B.V. Guaranteed Floating Rate Capital Notes 1992. Convertible until 1986 into 10 per cent Guaranteed Capital Bonds 1982.

BANK BUMIPUTRA MALAYSIA BERHAD U.S. \$30,000,000 FLOATING RATE NOTES 1984. For the six months 23rd April, 1982 to 25th October, 1982. In accordance with the provisions of the Notes, notice is hereby given that the rate of interest has been fixed at 15 1/2 per cent and that the interest payable on the relevant interest payment date, 25th October, 1982 against Coupon No 7 will be U.S. \$78.37.

WORLD STOCK MARKETS

Early Wall St Energy rally

A STRONG RALLY in Energy at CS20, reported a loss in the first quarter and said it would pay its regular quarterly dividend in the form of common shares rather than cash.

Another positive factor for the market was the record high level of short interest for the month ended April 15.

Oil issues were the most heavily traded issues in the market, with six of the 10 most active stocks in the Energy sector.

Sears Roebuck was the volume leader, up 1 1/2 to \$20 after reporting that it would cut its cash dividend.

Canada Stocks were slightly higher at mid-session, with Petroleum issues the biggest gainers.

Denmark Shares prices were steady in active trading as the monthly account was settled.

France Shares prices were steady in active trading as the monthly account was settled.

Holland Shares prices were steady in active trading as the monthly account was settled.

Australia Shares prices were steady in active trading as the monthly account was settled.

Japan Shares prices were steady in active trading as the monthly account was settled.

Germany Shares prices were steady in active trading as the monthly account was settled.

Italy Shares prices were steady in active trading as the monthly account was settled.

Norway Shares prices were steady in active trading as the monthly account was settled.

Sweden Shares prices were steady in active trading as the monthly account was settled.

Switzerland Shares prices were steady in active trading as the monthly account was settled.

Austria Shares prices were steady in active trading as the monthly account was settled.

Belgium/Luxembourg Shares prices were steady in active trading as the monthly account was settled.

Spain Shares prices were steady in active trading as the monthly account was settled.

South Africa Shares prices were steady in active trading as the monthly account was settled.

South America Shares prices were steady in active trading as the monthly account was settled.

Other international markets were steady in active trading as the monthly account was settled.

Summary of market activity and key indicators for the week.

NEW YORK Stock market listings including companies like ACF Industries, AMF, and various energy and industrial firms.

NEW YORK Indices - Dow Jones and other market indices with historical data and trends.

NEW YORK ACTIVE STOCKS - Detailed list of active stocks with prices and changes.

Germany Bundessbank decided against a cut in interest rates.

Paris Shares prices were steady in active trading as the monthly account was settled.

London Shares prices were steady in active trading as the monthly account was settled.

Stocks closed at their highs and trading revived on new buying.

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Companies and Markets

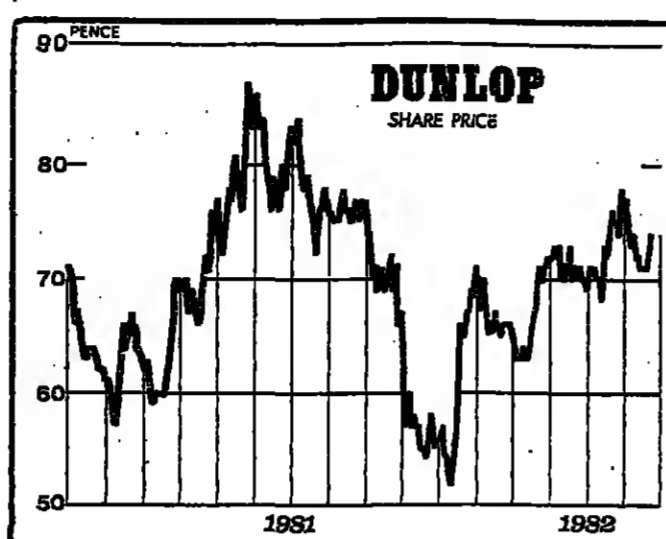
LONDON STOCK EXCHANGE

RECENT ISSUES

Buying enthusiasm wanes after an early improvement and leading shares display a mixed trend—Gilts ease

Account Dealing Dates
Option
First Declara- Last Account
Date Date Date Date Date Date

preliminary results, improved 10 more to 316p.
Elsewhere in Industrials, few features emerged after a rather slow day's trade and rises and falls were evenly matched, on Wednesday, rises had out-numbered falls by more than 6 to 1.



improved a couple of pence to 160p.
Beecham wanted
Beecham attracted buyers following Press comment and closed 6 to the good at 346p.

Steel Brothers which advanced 25 to 230p, the widely-anticipated rights issue being offset by the increased earnings and final dividend. Meat traders Thomas Borwick gained the turn to 13p following Press comment.

Table of RECENT ISSUES with columns for Issue Price, Amount, and Stock details.

Table of FIXED INTEREST STOCKS with columns for Issue Price, Amount, and Stock details.

Table of "RIGHTS" OFFERS with columns for Issue Price, Amount, and Stock details.

Initial buying of leading shares was selective and fitted out after a couple of hours. Measuring the trend, the FT 30-share index touched its best of the day at 11 am with a rise of 34 and drifted back to only 1.8 higher at a five-day rally of 24.2 to 569.0.

Composites easier
Quietly dull conditions prevailed in Composite Insurances with sentiment still dampened by recent adverse comment.

group's substantial Argentinean interests, bartered a couple of pence to 422p.
Electronic concern, Cass Group staged a satisfactory debut in the United Securities Market from an opening level of 106p, the shares moved up to 109p compared with the closing price of 105p.

Queensway improved 5 for a two-day gain of 20 to 172p. In contrast, Owen Owen declined 5 to a 1982 low of 170p following full-year deficit and the reduced final dividend.

Among quiet shoes, Style closed 5 to 105p awaiting today's preliminary figures.
Interest in the Electrical majors was at a low ebb but a firm tone was maintained and GEC closed a further 4 better at 834p with sentiment still helped by the 250m South African turbine generation contract.

Full-year figures from Dunlop proved better than feared and fostered recovery hopes, the shares touched 70p before easing to close 2 dearer on balance at 74p. Dowdy added a similar amount to 119p but Lucas shed 3 more to 185p. Elsewhere in Motors, York Trailer continued to draw strength from the chairman's remarks on current trading and added 5 for a two-day gain of 5 to 15p.

Properties retained a firm appearance, but gains were pared as interest petered out. Land Securities closed a net 2 dearer at 285p, after 39p, and BEPC only a penny firmer on balance at 203p, after 205p. Capital and Resources, a rising market recently on speculative interest, softened a penny to 123p, but Samuel added 2 to 106p.

South Africa Financials followed a similar pattern to Golds, while London-based issues generally closed a fraction easier on lack of interest.

Table of FINANCIAL TIMES STOCK INDICES with columns for Index Name, April 22, April 21, April 20, April 19, April 18, April 17, and Year Ago.

After opening 4 higher at 326p, ICI reacted to 320p following the chairman's cautious statement at the 1981 meeting before closing 2 down on balance at 322p. Fisons stayed at the overnight level of 315p, Laporte put on 4 to 159p in response to the preliminary results.

Engineering were featured by a fresh advance of 10 to 316p in Hawker following comment on the annual results. Bullough added a similar amount to 185p on the 25m acquisition of Propafor and the Board's encouraging remarks about current year trading. Spencer Gear firm 5 to 13p in response to better-than-expected first-half figures, while McKenna Brown rose 5 to 105p on further consideration of the bid.

British Aluminium found support at 64p, up 4, while Lake and Elliott, 53p also added 4.

News of a sharp decline in OPEC output and heightening tensions in the Middle East prompted revived support for Oils. Closing levels were a few pence below the best, Shell touching 488p before settling a net 12 up at 402p, and British Petroleum finishing a like amount higher at 412p, after 314p. Barmah closed 5 dearer on balance at 144p, after 146p, and Tricentral 6 to the good at 212p, after 216p. Lamsco gained 15 to 340p and Ultramar 10 to 417p, while I.C.G. improved 8 in 1981. ICA International added 4 to 100p and Premier a penny in 45p, the latter following a Press mention.

Overseas Traders featured

Table of HIGHS AND LOWS and S.E. ACTIVITY with columns for High, Low, and S.E. Activity.

Dealings in mall-order house Empire Stores, suspended last week at 100p, were resumed following the shares-and-cash offer from Great Universal announced late on Wednesday. Opening sharply higher at 110p, Empire reacted to close at 104p on fears that the offer will be referred to the Monopolies Commission. A dip to 100p before reverting to unchanged at 48p which values Empire at around 113p per share.

Elsewhere in Stores, D-I-Y issues continued to make useful headway in the wake of the impressive preliminary figures from Ferris One-stopway. A.G. Stanley due to announce annual results next Tuesday, rose 4 to 60p, while Home Charm advanced 6 to 166p. Harris

Contracts completed in Traded Options yesterday amounted to 3125, the highest total since February 12. The sharp increase in business was mainly attributable to an active trade in both British Petroleum and Shell Transport reflecting the strength of the underlying securities. BP 215 contracts, with the July 2005 and 330s recording 226 and 146 respectively, while Shell accounted for 409. Support was also noted for Courtaulds and GEC, which attracted 269 and 270 calls respectively, while recent high-flyer Imperial recorded 378.

Options yesterday amounted to 3125, the highest total since February 12. The sharp increase in business was mainly attributable to an active trade in both British Petroleum and Shell Transport reflecting the strength of the underlying securities.

Table of ACTIVE STOCKS and WEDNESDAY'S ACTIVE STOCKS with columns for Stock Name, Closing Price, and Change.

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

Table of FT-ACTUARIES SHARE INDICES with columns for Equity Groups, Sub-sections, and Index values for various dates.

NEW HIGHS AND LOWS FOR 1982

The following quotations in the Share Information Service yesterday attained new Highs and Lows for 1982

Table of NEW HIGHS AND LOWS FOR 1982 listing various stocks and their prices.

WORLD VALUE OF THE DOLLAR

Bank of America NT & SA, Economics Department, London

Table of WORLD VALUE OF THE DOLLAR showing exchange rates for various countries and currencies.

FIXED INTEREST

Table of FIXED INTEREST showing average gross redemption yields for various government and corporate bonds.

OPTIONS

First Last Deal- Deal- Settling- Settlement- ment- ment- April 5 April 26 July 29 Aug 23 For rate indications see end of Share Information Service

Flat yield. Highs and lows record, base dates, values and redemption figures are published in Saturday issues. A new list of constituents is available from the Publishers, The Financial Times, Brechin House, Cannon Street, London, EC4A 3DF, price 15p, by post 20p.

Companies and Markets

CURRENCIES and MONEY

£ and \$ firm

Sterling and the dollar drifted up in quiet foreign exchange trading helped by the favourable figures on UK public sector borrowing and the upward trend in Eurodollar interest rates.

The Italian lira remained weak near the bottom of the European Monetary System, but there was little change overall.

STERLING - Trade-weighted index (Bank of England) 90.2, against 90.1 at noon and in the morning, 89.9 at the previous close, and 87.8 six months ago.

DOLLAR - Trade-weighted index 115.4 against 115.2 on Wednesday and 108.8 six months ago.

DEUTSCHEMARK - EMS member (strongest). Trade-weighted index 123.2 against 123.4 on Wednesday and 122.6 six months ago.

month)-The Deutschemark was again strong against major currencies at the Frankfurt fixing, improving in terms of all members of the EMS.

FRENCH FRANC - EMS member (third weakest). Trade-weighted was unchanged at 78.6 against 81.7 six months ago.

JAPANESE YEN - Trade-weighted index 136.2 against 137.2 on Wednesday and 137.2 six months ago.

THE POUND SPOT AND FORWARD

Table with columns: April 22, Day's spread, Close, One month, % Three months, % Six months. Rows include U.S., Canada, Netherlands, Belgium, Denmark, Ireland, Portugal, Spain, Italy, Norway, France, Sweden, Japan, Austria, Switzerland.

THE DOLLAR SPOT AND FORWARD

Table with columns: April 22, Day's spread, Close, One month, % Three months, % Six months. Rows include UK, Ireland, Canada, Netherlands, Belgium, Denmark, Portugal, Spain, Italy, Norway, France, Sweden, Japan, Austria, Switzerland.

CURRENCY MOVEMENTS

Table with columns: April 22, Bank of England Index, Morgan Guaranty Changes. Rows include Sterling, U.S. dollar, Canadian dollar, Australian dollar, etc.

CURRENCY RATES

Table with columns: April 21, Bank Rate, Special Drawing Rights, European Currency Unit. Rows include Sterling, U.S. dollar, Canadian dollar, etc.

OTHER CURRENCIES

Table with columns: April 22, £, \$, 2 Rates. Rows include Argentina, Australia, Brazil, etc.

EMS EUROPEAN CURRENCY UNIT RATES

Table with columns: ECU central rates, Currency amounts against ECU, % change from April 22, % change from previous month, Divergence limit %.

EXCHANGE CROSS RATES

Table with columns: April 22, Pound Sterling, U.S. Dollar, Deutschemark, etc.

FT LONDON INTERBANK FIXING (11.00 a.m. APRIL 22)

Table with columns: 3 months U.S. dollars, 6 months U.S. dollars. Rows include bid 14 1/16, offer 15 1/16.

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rates for 310m quoted by the market to five reference banks at 11 am each working day.

EURO-CURRENCY INTEREST RATES (Market closing rates)

Table with columns: April 22, Sterling, U.S. Dollar, Canadian Dollar, etc.

CURRENCY RATES

Table with columns: April 22, Bank Rate, Special Drawing Rights, European Currency Unit.

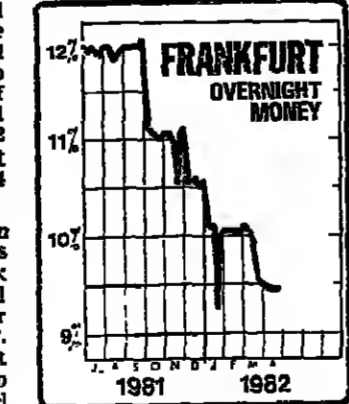
MONEY MARKETS

UK rates little changed

UK interest rates showed little overall change yesterday in rather featureless trading. Treasury bill rates were unchanged from Wednesday.

EUROCURRENCIES \$ rates rise

Eurodollar rates were slightly firmer yesterday and the dollar was generally weaker in forward trading.



MONEY RATES

Table with columns: NEW YORK, GERMANY, FRANCE, JAPAN. Rows include Prime rate, Fed funds, Treasury bills, etc.

LONDON MONEY RATES

Table with columns: April 22, Sterling, Local Authority deposits, etc.

FT UNIT TRUST INFORMATION SERVICE

Large advertisement for FT Unit Trust Information Service, including 'Authorised Trusts' list, 'Authorised Trusts' list, and 'Authorised Trusts' list.

INSURANCE & OVERSEAS MANAGED FUNDS

Table of insurance and managed funds, including Abbey Life Assurance Co. Ltd., Crown Life, and various international funds.

Table of insurance and managed funds, including Life Assn. Co. of Pennsylvania, Lloyd's Life Assurance, and various international funds.

Table of insurance and managed funds, including Sun Life of Canada (UK) Ltd., Bridge Management Ltd., and various international funds.

Table of insurance and managed funds, including NBS Investment Managers Limited, Raminco Managers Ltd., and various international funds.

OFFSHORE AND OVERSEAS

Table of offshore and overseas managed funds, including various international investment vehicles.

NOTES: Prices are in pence unless otherwise indicated and show discounting of 5% with no profit refer to U.S. dollars.



FT SHARE INFORMATION SERVICE

FOOD, GROCERIES—Cont.

BRITISH FUNDS

Table listing various British funds with columns for name, price, and yield.

Five to Fifteen Years

Table listing funds with a maturity of five to fifteen years.

Over Fifteen Years

Table listing funds with a maturity of over fifteen years.

Updated

Table listing updated fund information.

Index-Linked & Variable Rate

Table listing index-linked and variable rate funds.

INT. BANK AND O'SEAS GOVT. STERLING ISSUES

Table listing international bank and overseas government sterling issues.

CORPORATION LOANS

Table listing various corporation loans.

COMMONWEALTH AND AFRICAN LOANS

Table listing commonwealth and African loans.

LOANS Public Board and Ind.

Table listing public board and industrial loans.

LOANS—Continued

Table listing continued loan information.

FOREIGN BONDS & RAILS

Table listing foreign bonds and rails.

AMERICANS

Table listing American stocks and bonds.

BANKS & H.P.—Cont.

Table listing banks and hire purchase information.

Hire Purchase, etc.

Table listing hire purchase and other financial services.

BEERS, WINES AND SPIRITS

Table listing beer, wine, and spirit companies.

BUILDING INDUSTRY, TIMBER AND ROADS

Table listing building industry, timber, and road companies.

CANADIANS

Table listing Canadian stocks and bonds.

BANKS AND HIRE PURCHASE

Table listing banks and hire purchase information.

LOANS

Table listing various loan products.

CHEMICALS, PLASTICS—Cont.

Table listing chemical and plastic companies.

DRAPERY AND STORES

Table listing drapery and store companies.

ELECTRICALS

Table listing electrical companies.

ENGINEERING—Continued

Table listing engineering companies.

INDUSTRIALS (Miscel.)

Table listing miscellaneous industrial companies.

ENGINEERING—Continued

Table listing continued engineering companies.

HOTELS AND CATERERS

Table listing hotels and caterers.

INDUSTRIALS (Miscel.)

Table listing miscellaneous industrial companies.

FOOD, GROCERIES—Cont.

Table listing food and grocery companies.

HOTELS AND CATERERS

Table listing hotels and caterers.

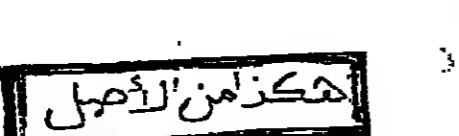
INDUSTRIALS (Miscel.)

Table listing miscellaneous industrial companies.

Advertisement for Bank of New South Wales, featuring the headline 'Bigger bank Bigger limits Bigger turnover' and details of the merger.

Table listing various companies under 'CHEMICALS, PLASTICS' and 'ENGINEERING MACHINE TOOLS'.

Table listing various companies under 'FOOD, GROCERIES, ETC.'.



INDUSTRIALS—Continued

Table of industrial stock prices including companies like British Petroleum, Shell, and various manufacturing firms.

LEISURE—Continued

Table of leisure stock prices including companies like British Airways, British Telecom, and various entertainment firms.

PROPERTY—Continued

Table of property stock prices including various real estate and construction companies.

INVESTMENT TRUSTS—Cont.

Table of investment trust stock prices including various funds and trusts.

OIL AND GAS—Continued

Table of oil and gas stock prices including companies like BP, Shell, and various energy firms.

DAWA BANK advertisement with logo and contact information for Osaka, London, and Frankfurt branches.

MINES—Continued

Table of mining stock prices including various metal and coal mining companies.

MOTORS, AIRCRAFT TRADES

Table of motor and aircraft trade stock prices including companies like British Airways and various transport firms.

SHIPPING

Table of shipping stock prices including various maritime and logistics companies.

SHOES AND LEATHERS

Table of shoes and leather stock prices including various footwear and leather goods companies.

SOUTH AFRICANS

Table of South African stock prices including various companies from that region.

TEXTILES

Table of textile stock prices including various clothing and textile manufacturing companies.

DEFENCE

Table of defence stock prices including various arms and military equipment companies.

NEWSPAPERS, PUBLISHERS

Table of newspaper and publisher stock prices including various media and publishing companies.

PAPER, PRINTING ADVERTISING

Table of paper, printing, and advertising stock prices including various media and service companies.

PROPERTY

Table of property stock prices including various real estate and construction companies.

INSURANCE

Table of insurance stock prices including various insurance and financial services companies.

LEISURE

Table of leisure stock prices including various entertainment and leisure companies.

TRUSTS, FINANCE, LAND

Table of trusts, finance, and land stock prices including various financial and real estate companies.

RUBBERS AND SISALS

Table of rubber and sisal commodity prices.

TEAS

Table of tea commodity prices.

India and Bangladesh

Table of India and Bangladesh commodity prices.

Sri Lanka

Table of Sri Lanka commodity prices.

MINES

Table of mining commodity prices.

Central Rand

Table of Central Rand commodity prices.

Eastern Rand

Table of Eastern Rand commodity prices.

Far West Rand

Table of Far West Rand commodity prices.

O.F.S.

Table of O.F.S. commodity prices.

OIL AND GAS

Table of oil and gas commodity prices.

Diamond and Platinum

Table of diamond and platinum commodity prices.

REGIONAL MARKETS

Table of regional market stock prices including various international markets.

OPTIONS

Table of options market data including various derivatives and futures contracts.

Recent issues and Rights Page 43. This service is available to every company that is on the Stock Exchanges throughout the United Kingdom for a fee of 2600 p.p.a. per annum for each company.

CLOSURES LOOM ON PETROCHEMICALS SIDE

ICI warns of more job cuts

BY SUE CAMERON, CHEMICALS CORRESPONDENT

IMPERIAL Chemical Industries said yesterday it is planning further "substantial" job cuts and plant closures in petrochemicals and plastics divisions.

Mr John Harvey-Jones, the group's new chairman, said ICI's bulk operations in Western Europe were still being hit by "harsh recessionary conditions" and the company saw no significant signs of a general economic recovery.

ICI's strategy did not involve "getting out of Britain," he said, but the UK is only 5 per cent of the world chemical market and we cannot maintain a world position solely from such a base.

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Matthoefer to step down over health

HERR HANS MATTHOEFER, the West German Finance Minister, is to step down on health grounds as part of a Cabinet reshuffle expected to be announced next week.

PSBR falls £2bn short of Treasury estimates

BY ROBIN PAULEY

THE total public sector borrowing requirement in 1981-82 was £10.57bn, below the Government's estimate of £12.77bn.

Mr Ron Lewis, director of the British Plastics Federation, yesterday said further reduction in UK capacity "would be a tragedy for industry as a whole."

Table with 2 columns: PSBR AS PROPORTION OF GDP, % Chancellor. Rows include 1970-71, 1971-2, 1972-3, etc.

National docks strike averted

By Brian Groom, Labour Staff

A STRIKE threatened by Britain's 18,000 registered dockers from Monday was averted yesterday when the National Dock Labour Board withdrew some of its controversial reorganisation proposals.

The dockers have pressed for the scheme to be extended by widening boundaries around registered ports in which dockers are guaranteed most port-related work or by bringing ports such as Felixstowe into the scheme.

Mr James Prior, former Employment Secretary, made clear he would not draw up a new draft scheme without the industry's support.

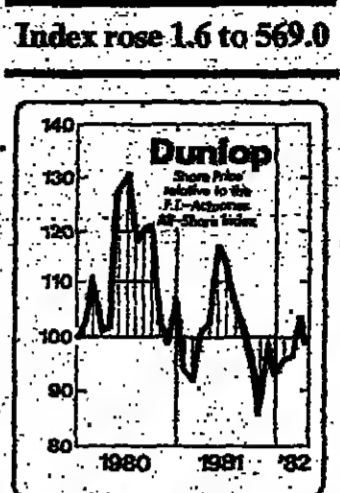
The board did not disclose which of its proposals had been dropped. The most controversial would have reorganised the 20 subsidiary local boards into five regional bodies.

Supply ships for the Falklands fleet have been loaded by both servicemen and dockers. The servicemen might have to do any future loading after May 10 if a strike takes place and dockers do not exempt these vessels.

THE LEX COLUMN

Dunlop wrestles with the wheel

Index rose 1.6 to 569.0



Dunlop is approaching the final laps of a five-year race in which it has needed every millimetre of tread on its high-performance radials.

After high pre-tax charges and £12m of minority interests, Dunlop's profits are slumped following an ambitious acquisition, and France. The French company has now returned to subsidiary status.

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aggressively to the detailed proposals for... the pressure builds up, there is a strong likelihood that the measures will be modified before the Finance Bill becomes law.

Quite apart from the element of injustice involved in the life rule, the complication will effectively act as a deterrent against small investors entering the market.

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Saudi Arabia, Mexico, Venezuela and Indonesia cut oil exports

BY OUR ENERGY AND FOREIGN STAFF

FOUR of the world's leading oil-producers, Saudi Arabia, Mexico, Venezuela and Indonesia, have cut their exports in the face of a continuing glut of world oil supplies and downward pressure on prices.

Since early last year when Indonesian production reached a peak 1.6m b/d, liftings of the highest company, Caltex Pacific Indonesia, have fallen by about 2.5m b/d to 1.5m b/d as part of the Opec agreement.

In addition to the Saudi disclosure, oil industry reports suggest that Indonesia's output in the past 10 days has fallen to about 1.2m b/d, about 100,000 b/d below the production quota set by Opec.

Weather

UK TODAY Scotland and Northern Ireland will have sunny intervals with some showers.

Table with 2 columns: City, Weather. Lists various cities and their weather conditions.

Tern Field plan shelved

BY RAY DAFTER, ENERGY EDITOR

SHELL AND ESSO have shelved an £800m project to develop the Tern oilfield in the North Sea. They blamed falling oil prices, offshore oil taxation and technical problems for their decision.

The indefinite postponement of the project, announced yesterday, came as a blow to the offshore supply industry, which was preparing already to make over 2,000 men redundant because of a fall in North Sea orders.

In Whitehall last night the shelving of Tern was seen as "disappointing." But it was pointed out that, if Sir Geoffrey Howe, the Chancellor, had accepted all of the industry's tax cut proposals, the rate of return on the Tern Field would have been improved by only about 1 per cent.

Falklands

Continued from Page 1

the outcome as the Argentine proposal appeared to do. Consulting the islanders would take some time, and could not take place while they were under alien domination.

Officials said they were sure that if the peace bid failed, the U.S. would support Britain. The British Minister, on a separate visit to Washington, said last night that if negotiations failed he was confident that the U.S. would "come down firmly on Britain's side."

A Tory MP, Mr Richard Shepherd, the member for Aldridge Brownhills, is seeking a Commons inquiry into the handling of financial sanctions by the Bank of England, which he believes has been too "lax" about its controls on banks.

Ministers are, however, apprehensive that opinion among both MPs and the public generally may be volatile and could become less favourable if armed force has to be used and there are casualties. This has been reflected in uncertainty among a majority of Ministers of how far to go in risk of conflict.

ISN'T IT TIME YOU HAD SECOND THOUGHTS ABOUT YOUR COMPANY MEDICAL INSURANCE?

If you are thinking of private medical insurance for the first time, or want greater flexibility or perhaps lower costs than your existing scheme, PPP can help.

Form for Private Medical Care for Companies, including fields for Name, Company, Address, and Postcode.

Branch Offices: Birmingham, London, Manchester, etc. Contact details for various regions.

Employment Bill Continued from Page 1

last moment without prior consultation or warning. Mr Stan Crowther, Labour MP for Rotherham, said that changes were designed to split unions and "smash the one weapon that unions have ever had - their ability to stick together."

The Government is understood to have no further changes in the proposed legislation in mind, at least at this stage. Mr Norman Tebbit, Employment Secretary, referred last month to the need for "technical changes," and it is thought that

Yesterday's amendments were what he had in mind. However, he has made it clear, most recently at a Press Gallery lunch earlier this week, that he does not rule out proposals for further legislation in the present Parliament or in the Conservative's next manifesto.

